Daily Report

Latin America

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Journalist Delegates Issue Santiago Declaration

PY1005140394 Madrid EFE in Spanish 2036 GMT 6 May 94

[Text] Santiago, 6 May (EFE)—The Declaration of Santiago on the exercise of the profession of journalism was approved here today by all delegates except for those from Chile and Venezuela.

After a heated debate, the declaration was approved. It summarizes in 10 points the five days of work carried out during the seminar on the Development of the Media and Democracy in Latin America and the Caribbean, which began on 2 May and which was organized by UNESCO, the United Nations, and the Chilean Government.

The Santiago Declaration was approved by consensus, except for article eight to which the Chilean and Venezuelan journalists associations objected. They favor unconditional exercise of journalism.

The confrontation was between the Chilean Journalists Association and the Inter-American Press Association (IAPA), which groups continental written media owners.

In its main points, the Santiago Declaration remarks that freedom of expression "is the cornerstone" of democracy and that it is essential for peace and development.

The 400 delegates to the seminar ask governments to guarantee freedom of expression and their professional work, and they condemn the violence to which some journalists are subjected, as well as all prohibitions and controls.

Cuba

Castro Attends 'Historic' Mandela Inauguration

FL1005122594 Havana Radio Rebelde Network in Spanish 2300 GMT 9 May 94

[Report by correspondent Gisela Bel Heredia]

[Text] In what according to his own words constitutes an historic moment of great importance, Commander in Chief Fidel Castro is already in Pretoria to attend Nelson Mandela's inauguration as president. A few minutes after 1300 in Cuba—1900 in South Africa—the plane carrying Fidel and his delegation landed at Jan Smuts International Airport, Johannesburg, the first stop in South Africa.

We traveled approximately 45 km by road to Pretoria where workers are putting the finishing touches on the site of the ceremony that will end the apartheid regime by placing Mandela at the nation's helm. Mandela received an absolute majority of the votes in the first multiracial elections ever held in South Africa.

At the Arcadia Hotel where the Cuban delegation headed by Fidel is staying, numerous requests for interviews and contacts have been received from heads of states and journalists here to attend the inauguration. We can therefore assume that Fidel will be extremely busy after the inauguration. Among those who have asked to meet with Fidel are South African television, the PLO, and the heads of state of Sudan and Nigeria.

Before leaving Ghana for South Africa, Fidel spoke with the reporters accompanying him and discussed his presence at the inauguration of the African National Congress's leader.

[Begin recording] [Bel] How do you feel about going to the inauguration ceremony?

[Castro] I feel very good in every sense of the word. I am in great health. I slept well and am very happy to be on my way to the inauguration.

[Bel] What does attending Mandela's inauguration mean to you?

[Castro] It represents an opportunity to participate in an historic event such as this, which the peoples of Africa and the world are experiencing.

[Bel] Thank you.

[Castro] And also, we cannot waste a single minute, so we get there on time.

[Unidentified reporter] What can you tell us about your meeting with Rawlings?

[Castro] I am very pleased, although it was very brief because he too had to get going. I am very pleased to have stopped here and to have contacted the people of Ghana. [end recording]

The inauguration ceremony will take place in the [words indistinct] a place near the Arcadia Hotel. At 1100, the new national flag will be hoisted and the inauguration ceremony will begin.

Panama President-Elect Seeks Full Diplomatic Ties

FL1005233794 Havana Radio Reloj Network in Spanish 1945 GMT 10 May 94

[Excerpt] Panamanian President-elect Ernesto Perez Balladares has asserted that during his term, the Panamanian Government will maintain dignified and respectful relations with Cuba. Perez Balladares confirmed that the ties with Cuba will be equal to those maintained with any other nation. He went on to say that ties between Cuba and Panama will be characterized by respect for their existing political systems and noninterference in the internal affairs of either nation.

Relations between these nations became virtually nonexistent following the violent U.S. invasion of Panama on 20 December 1989, and at the moment, contacts are conducted at interim charge d'affaires level. [passage omitted]

Chile To Invite Robaina for Official Visit

FL1005230794 Havana Radio Reloj Network in Spanish 1950 GMT 10 May 94

[Text] The Chilean Foreign Ministry has announced that soon Cuban Foreign Minister Roberto Robaina will receive an official invitation to visit Chile in the near future. Jose Miguel Insulsa, deputy secretary of Foreign Relations, made the announcement in Santiago de Chile. Insulsa stated it will be beneficial to conduct an exchange of opinions on international politics and the current situation in Cuba.

Insulsa pointed out that the visit's agenda has yet to be finalized, but mentioned that important issues would include the ongoing U.S. economic blockade of Cuba and Cuba's ties with the hemisphere. Insula pointed out that differences in political systems is no obstacle to the existence of diplomatic relations between Cuba and Chile.

PRC, Cuban Ministers Meet To Foster Cooperation

PA1105040194 Havana Radio Havana Cuba in Spanish 1300 GMT 10 May 94

[From the "Morning Information Review" newscast]

[Text] PRC Foreign Minister Qian Qichen met with Jose Naranjo Morales, Cuban minister without portfolio, in Beijing. Naranjo Morales is currently visiting the Asian country to foster friendship and bilateral cooperation. During the meeting, Naranjo Morales praised the economic reforms carried out in the Asian nation.

Congolese President To Visit in Future

FL1005224094 Havana Radio Rebelde Network in Spanish 1700 GMT 10 May 94

[Text] In a news conference today in Havana, (Reibor Itohuaine), charge d'affaires of the Congolese Embassy in our country, stressed the 30 years of diplomatic relations between Cuba and Congo.

The Congolese diplomat said Cuba and Congo have developed excellent relations of friendship and cooperation over a period of 30 years, and that they are united by history and blood. He also referred to cooperation between the two countries, which encompasses almost all areas of political, social, and economic life. He added that the next visit to Cuba by Congolese President Pascal Lissouba will enhance the development of relations for the next few years.

IIDH, UNJC Officials Meet, Reach Agreement

PA1105040294 Havana Radio Havana Cuba in Spanish 1300 10 May 94

[From the "Morning Information Review" newscast]

[Text] A delegation from the Inter-American Human Rights Institute [IIDH], with headquarters in Costa Rica, ended its visit to Havana having met with the National Union of Cuban Lawyers [UNJC]. The delegation was led by Roberto Cuellar, assistant director of the institution, and was received by Cuban Justice Minister Carlos Amat and Deputies Ramon de la Cruz Ochoa and Lazaro Barredo. During the meeting, an agreement was reached for cooperation between the IIDH and the UNJC on a project involving training to promote that goal.

Study: Emigration Due to Economic Difficulties

PA1105045994 Hamburg DPA in Spanish 1522 GMT 10 May 94

[Text] Havana, 10 May (DPA)—Shortages and material limitations, which have gotten worse since the beginning of the 1990's, prompt Cuban citizens to escape the island, according to a poll carried out by a Havana University branch. "This situation increases the dissatisfaction of potential illegal emigrants and magnifies their individual and professional frustrations," the Political Alternatives Studies Center has indicated.

The study is based on a poll carried out among people who tried to escape the island. Sixty percent of the people polled alleged that they had tried to escape because of economic reasons associated to material needs in the housing and consumer areas. The results of the study published today indicate that 54.7 percent of the people said they wanted to emigrate to the United States due to personal aspirations; 28.4 percent mentioned the search for personal freedom; and 16.3 percent cited family reasons. One of the family-related reasons given by the people polled was to alleviate their economic status in the United States because they did not think Cuba had the proper conditions for establishing a family. They also cited reasons related to family reunification.

The poll revealed that 31 percent of the people interviewed had expressed differences or dissatisfaction with the Cuban political-social program. In this sense, "they judged the economic policy to be inadequate and underscored problems other than the ones brought about by the special period, such as the depreciation of work, the handling of religious beliefs, and the existence of marked social inequalities." The fact that the people polled hoped to find a network of relatives and friends who would welcome them abroad was another factor in their decision to abandon the island, the Havana University branch pointed out.

A recent U.S. Coast Guard Service report recently published in Havana revealed that 2,173; 2,557; and 3,656 Cubans had reached the coast of Florida in 1991, 1992, and 1993, respectively. Meanwhile, the official BOHEMIA magazine revealed that there had been 5,597, 7,053, and 10,579 foiled escape attempts during that same period.

GRANMA Outlines New Medicine Distribution Policy

FL1005234394 Havana Radio Progreso Network in Spanish 1100 GMT 10 May 94

[By reporter Roger Ricardo Luis]

[Excerpt] [passage omitted] Pages 4 and 5 of today's GRANMA carries an interview with Public Health Minister Julio Jesus Teja Perez by reporter Jose Antonio de Oca in which the minister outlines the details of the country's strategy for production and distribution of medicines, based on the country's potential and available resources.

I will read passages of this interview, which was published today on pages 4 and 5. It says that medical control will begin on 16 May in Havana City and that it will gradually be extended throughout the country. The objective is to increase the level of satisfaction as guarantees are strengthened to distribute the medicines the people need; to reduce the number of medicines not readily available; and to systematically prevent the embezzlement, for increased profit which occurs with this type of product.

The success of this plan will depend to a large extent on the cooperation and understanding of our doctors, on those responsible for administration, and on pharmaceutical experts.

Some provinces that began to develop initiatives in this area have implemented most of the measures adopted in Havana City, with positive results even when experiencing greater shortages than in the capital. One of the first measures seeks to fight speculation and hoarding, in an effort to tighten relations between the community and

drug stores. Approximately 30 medicines can therefore be purchased at the drug store nearest the individual's residence by presenting the ration book for identification of the family group.

Medicines will not be sold through preestablished quotas, but in an individual manner, based on availability of these medicines. A list of residences will be required, to register all possible consumers.

The pharmacies will sell various products such as boric acid, camphorated pomade, aspirin, (pasta lazar), magnesium sulfate, and (citrogal), among others. The links that will be established between family groups and their neighborhood drug stores do not exclude the purchase of prescribed medicines from other pharmacies, taking into account that each doctor or dentist must have his name officially registered in the drug store near his workplace. This means that the health units will also be linked to the neighborhood drug stores where patients will be able to acquire the medications indicated by the emergency service or by consultation. The same goes for those already discharged from the hospital, but who need to continue their treatment. In Havana City especially, pediatric doctors, surgeons, and others will have one intrahospital pharmacy for the purchase of the medications prescribed by the emergency service.

The 73 medicines sold today through cards, for the treatment of chronically ill people who require lengthy treatment, will be purchased from special drug stores through the appropriate health field.

Current medical prescription models will be changed. The old ones must be presented at the pharmacy, together with the new prescription, to obtain the prescribed medicine. Medical prescriptions for the purchase of antibiotics and other medications will have a time limit. If the medicines are not purchased within that period of time, the validity of the prescription is automatically canceled and will thus require a new medical examination.

Commentary Praises Law Against Unlawful Enrichment

PA1005024094 Havana Radio Havana Cuba in Spanish 0000 GMT 7 May 94

[Commentary by Roberto Morejon]

[Text] While the majority of Cubans seek the most suitable way to increase productivity and efficiency, and while the government seeks to reorganize the country's financial system, a small number of people aim to enrich themselves at the expense of the material needs of the people. During times of crisis, the government is obliged to protect the fair distribution of material goods. Some citizens, however, illegally procure goods and raw materials from state-owned stores and later sell them on the black market at astronomical prices.

As a result of theft, speculation, shady deals, and other practices common in an underground economy, a limited number of citizens have accumulated wealth and goods, which they have even ostentatiously displayed to most of their countrymen who, today, are forced to live in austerity. Other people, who also shun honest work, buy or make articles that they later sell to people at high prices, taking advantage of the needs of those suffering the effects of the economic crisis caused by external forces.

This small group of citizens is rejected by most Cubans, who by making great sacrifices resist the attacks of the U.S. blockade and the devastating effects of the loss of the country's trading partners who belonged to the vanished socialist camp.

At the 80,000 assemblies convoked by the unions early in the year, more than 3 million workers demanded that the state adopt strong measures to confiscate the goods and incomes of persons who enrich themselves illegally. During the recently concluded special session of the Cuban parliament, the deputies echoed the peoples' categorical rejection of the unscrupulous activities of those who unlawfully amass fortunes at the expense of the needs of the majority of Cubans.

Because it is a national necessity and is of social interest and to the benefit of the public, the National Assembly of the People's Government entrusted the Council of State and the government with adopting measures, including extraordinary measures upheld by the Constitution, to eradicate the aforementioned aberrations.

This week, Decree-Law No. 149, which involves the confiscation of goods and income obtained through illegal enrichment and supports energetic actions by the authorities, was disclosed.

As it did at the beginning of the Revolution, the Cuban State is acting against a minority of citizens who have hoarded goods and money illegally, in brazen and demoralizing defiance of the principles of social justice that prevail in the country.

Matanzas Power Plant Resumes Operations

FL1005144994 Havana Radio Rebelde Network in Spanish 0900 GMT 10 May 94

[Report by Matanzas correspondent Manolo Garcia]

[Excerpt] [passage omitted] The Antonio Guiteras thermoelectric plant in Matanzas is operating at full capacity and absolute efficiency. This plant resumed operations Saturday afternoon after a brief 72-hour down time period for maintenance.

Engineer Jesus Valdez Torra, plant director, reported that all defects have been fully eradicated. Therefore, the plant will be fully operative until the next maintenance period, which will require six days.

The engineer added that maintenance work will also be done on another 330 megawatt unit. This work will include regulating the valves and cleaning the boiler walls.

The Antonio Guiteras plant has provided more than 500,000 megawatt-hours to date and expects to conclude the year with a total of 2.2 million megawatt-hours, 10 percent of the total amount of electricity generated by Cuba's Electric Union.

Official Announces Arrival of Power Plant Parts

FL1105012794 Havana Radio Reloj Network in Spanish 1957 GMT 10 May 94

[Text] In Santiago de Cuba, Basic Industries Minister Marcos Portal has announced that repair and maintenance resources for electrical plants are arriving in Cuba given the economic importance of electrical generation. Portal addressed the workers of the Rente Antonio Maceo Electric Plant and told them that in July, maintenance work will immediately begin on Unit 5 once the reconstruction of Unit 4 is completed. After those two units are repaired and 12 others receive maintenance this year, the generation of electricity in the Rente plant should increase to 300 megawatts, 60 percent of its total capacity.

Portal praised the maintenance and modification work done at the Rente plant to enhance circulation, drainage, and equipment.

Aruba

Elections Scheduled for 29 Jul

BR1005141794 Rotterdam ALGEMEEN DAGBLAD in Dutch 10 May 94 p 6

[Unattributed article: "New Elections To Be Held in Aruba After one Year"]

[Excerpt] New elections are to be held in Aruba. Last month saw the fall of the cabinet of Prime Minister Nelson Oduber of the socialist MEP [People's Electoral Movement]. Since then, he has not been able to reach agreement with opposition leader Hennie Eman of the liberal AVP [Aruban People's Party].

The shaky MEP coalition (the party had 9 of the 21 parliamentary seats) with the ADN [National Democratic Action] and PPA [Aruban Patriotic Party] splinter parties (one seat each) suddenly collapsed because Oduber was more than tired of the favoritism policies of his partners. The two political dwarfs repeatedly succeeded in pushing things through as they wanted because the MEP could not govern without them.

Oduber tried to avoid holding new elections by offering to form a cabinet comprising the AVP, which also has 9 seats, for the remaining three years of the government's term. Eman immediately said he was against the suggestion. "That would mean that the AVP approved the policies of the last year and was also jointly responsible for them. I am ready to form a crisis government with the MEP as long as elections are organized within a year," he said.

That was going too far for Oduber. After removing the ADN and PPA ministers, he remained with an outgoing cabinet of five MEP ministers. He preferred new elections and withdrew his instructions to the two negotiators he had appointed to examine the possibility of forming a cabinet.

Aruba's eight political parties are to present their lists of candidates by 8 June. Six parties are advocating maintenance of the separate status [from the Netherlands] as the most important point on their programs. The elections will be held on 29 July, which does not suit the AVP.

Barbados

Correction to Castro's Parting Words on Integration

FL1005212394

The following corrections pertain to the item headlined "Castro Discusses Integration, Haitian Crisis," published in the 10 May Latin America DAILY REPORT, page 11:

Column one, please make sourceline read: Castries HTS Caribvision Television in.... (providing dropped "HTS" designation).

Paragraph three, sentence one, please make read: ...Caribbean States, and in everything that will help to integrate Cuba to the Caribbean Association so we are part of the association, we are willing to do so. We are part of the same region and we have many.... (rewording and providing indistinct word)

Paragraph four, sentence two, make read: ...crisis. This special course of action, he said, will offend the prestige of.... (rewording and providing indistinct word)

Paragraph five, sentence one, please make read: ...presidency of Haiti, but following an absolutely.... (adding dropped word)

Column two, paragraph one, only sentence, make read ...his plane, he had time for handshakes, kisses, and even a photograph. [end recording].... (providing indistinct words)

Dominican Republic

Balaguer Rejects U.S. Note on 16 May Elections

PA1005144894 Madrid EFE in Spanish 0552 GMT 10 May 94

[By Alonso de Contreras]

[Text] Santo Domingo, 10 May (EFE)—The U.S. Government has assumed an antagonistic role in the upcoming Dominican general elections with the publication of a note by its ambassador in Santo Domingo voicing concern over the conditions of the upcoming elections.

The note, which was rejected last night by President Joaquin Balaguer, says: "The importance of the Dominican (democratic) achievement increases our concern because of violent incidents that have occurred during the electoral campaign and because of the belief by some Dominicans that there will be an electoral fraud."

Last night, a few days before the general elections on 16 May and before the electoral campaign concludes on 14 May, Balaguer declared the note issued by U.S. Ambassador Robert Pastorino as nonsense.

Balaguer stated that the Dominican Republic has achieved such a level of development that it will not permit laws to be violated or the people's will to be mocked this coming Monday.

He added that there will not be any fraud because the Central Electoral Board comprises people of "irreproachable ethics" and "also, the country has achieved such a level of development, that it will not permit the violation of laws or the mockery of the peoples' votes whatsoever."

In addition, the U.S. ambassador recognized in his public note that "the Central Electoral Board (Dominican), advised by international experts, has worked arduously to implement the mechanisms that regulate fair elections. "We hope your work will pursue that goal. The presence of international observers underlines the importance of respecting the legitimacy of the people's will. "We appeal to all the participating political parties in the Dominican elections to work to curb the climate of violence and to promote fair and clean elections."

The United States, through its ambassador, also implicitly supports the "Civic Pact" proposed by opposition candidate Jose Francisco Pena Gomez—whom it does not cite—so that no party will claim victory before the official results are announced.

"We applaud the concepts voiced by political leaders in the proposed Civic Pact which seeks to ensure an atmosphere of peace and order in the elections," the embassy notes says. "The U.S. Government and people are completely neutral regarding which candidate or political party wins the elections. Nonetheless, we are extremely interested in seeing that the people's will be respected through fair and honest elections."

The U.S. Embassy's entering the Dominican electoral game has sparked a national controversy. In addition to the position voiced by the president, the opinion of Dominican political circles is divided among those who feel that the statement is a healthy call for vigilance while others feel that it is an interference in the domestic affairs of the country.

National Assembly President Jose Oswaldo Leger describes it as "meddling" in national internal issues, emphasizing that the Dominican people are qualified to resolve, by themselves, internal problems resulting from the electoral process. "The ambassadors accredited to the country (Dominican Republic) must be respectful of our sovereignty," he said.

Angel Lockward, leader of the ruling Social Christian Reformist Party, agreed with Leger and rejected the U.S. Government's note. The public letter, however, was praised by other politicians, including Hatuey Decamps, secretary general and spokesman for the Dominican Revolutionary Party.

Regardless of whether the note represents U.S. interference in the Dominican electoral process or not, observers and other diplomats in Santo Domingo emphasize that the U.S. remarks are like preaching to the choir.

In the last part of the Dominican electoral campaign, which has been marked from the beginning—mid-February—by political leaders disavowing each other, there has been a lack of government proposals, while violence has claimed at least 10 lives and all parties have increased their warnings of fraud.

When EFE asked a diplomat accredited in Santo Domingo, who requested his name not be disclosed, what he thought about the U.S. note, he merely answered: "He who has ears should listen."

Haiti

Senators Plan To Appoint 'Temporary' President

PA1105011394 Madrid EFE in Spanish 2315 GMT 10 May 94

[Text] Port-au-Prince, 10 May (EFE)—A group of senators, who were elected on 18 January 1993 in elections described as fraudulent, are planning to appoint Judge Emile Jonassain, former Supreme Court president, as temporary Haitian president tomorrow, 11 May.

The legislators, led by Bernard Sansaricq, who leads one of the Senate Board of Directors, made the decision today during a session described as irregular. Nevertheless, Jonassain said he is officially unaware of the decision.

Sansaricq sent Jonassain a copy of the decree adopted during the session, which has been described as illegal. He also sent a copy to General Raoul Cedras, Armed Forces chief, and Frantz Robert Monde, president of the Chamber of Deputies.

Jonassaint Said To Accept Presidency

FL1005182094 Port-au-Prince Radio Metropole in French 1045 GMT 10 May 94

[Excerpts] A special session—outside the National Assembly—was held at the Haitian parliament to conclude the seventh period of meetings of the 45th Legislature. A number of senators and deputies officially announced, on 9 May through Senator Bernard Sansaricq, that a new president of Haiti will be sworn in, in Haiti, within the next few hours: Judge Emile Jonassaint, the current president of the Court of Cassation. According to the announcement made by Sen. Sansaricq in the presence of a group of parliamentarians, Jonassaint will be sworn in on 11 May.

Here is a report by Edner Jean on 9 May, the day that was to mark the conclusion of the National Assembly, [pauses] the conclusion, in national assembly, of the current parliamentary session. In the last analysis, the National Assembly was unable to convene.

[Begin recording] [Jean] [passage omitted] For his part, the president of the Chamber of Deputies said it is not up to him to rule in favor of one or the other of the two Senate Offices, adding immediately thereafter that his office is willing to work with whichever Senate Office can gather 14 senators.

At that time, Sen. Sansaricq had still been unable to find a 14th member, something that was virtually impossible to do. Exchanges between senators and deputies became very heated. At 1830, Chamber of Deputies President Frantz Robert Monde held a meeting behind closed doors, but the socialists stuck firmly to their position and finally left the room.

Sen. Sansaricq's reaction came almost immediately: At 1900, he was back at the Senate, this time accompanied by about 15 deputies, all members of the Alliance for Parliamentary Cohesion, and he solemnly announced that Judge Emile Jonassaint will be sworn in as the new president of the Republic on 11 May.

[Sansaricq] I have already spoken to President Emile Jonassaint. The president has completely agreed to be sworn in at noon on 11 May, here, before the Senate of the Republic. [applause] I also want to announce that the Haitian Army is going to snap its fingers at the [word indistinct] of the Senate of the Republic. [applause] [passage omitted]

[Jean] [passage omitted] There was a surprise. Attracted, perhaps, by the atmosphere of this crowd—to repeat the words of Senator Dupiton—Monde joined the historic meeting. He went to the rostrum and took a stand in favor of the meeting and the measures being taken. He added, however, that a clear distinction should be made between the Monde who is president of the Chamber of Deputies and the Monde who is a deputy. Monde was warmly applauded by his peers.

At 2000, there was a power outage and this group of senators and deputies went home, singing the national anthem. This is Edner Jean for Radio Metropole. [end recording]

Jonassaint To Be Installed 11 May

FL1005173394 Port-au-Prince Signal FM Radio in French 1030 GMT 10 May 94

[Text] In a statement to the press on the night of 9 May, Senator Bernard Sansaricq announced that the president of the Court of Cassation, attorney Emile Jonassaint, is allegedly ready to be installed as president of Haiti. Incidentally, the Alliance for Parliamentary Cohesion and the legislators elected on 18 January 1993 are preparing to install Jonassaint as president of Haiti on 11 May. We will have further explanations regarding this statement—made very late last night by Senator Sansaricq—during the newscast.

Jonassaint Refuses Comment

FL1005200494 Port-au-Prince Signal FM Radio in Creole 1800 GMT 10 May 94

[Text] Senator Bernard Sansaricq says Emile Jonassaint will be sworn in as president of Haiti on 11 May. Sansaricq made this statement before the press, and said that he [not further identified] has the support of the Chamber of Deputies to do this job, especially the support of President Monde. Monde, however, has explained that he gave his opinion on the matter as a citizen, and not as the president of the Chamber of Deputies.

Everyone is waiting to see: Will Article 149 be implemented? Will there be a new president of Haiti? Everyone is waiting; meanwhile, the international community is threatening to impose a total embargo on Haiti, which will be lifted only when Jean-Bertrand Aristide returns to Haiti. The embargo will be relaxed only when three officials of the military high command's general staff resign. Only then will the international community infer that the Army has decided to comply with the Governors Island Agreement.

The situation within the Haitian legislature, where Sansaricq made this decision, remains very very confused. Emile Jonassaint, whom Signal FM contacted, said he has not been officially informed yet regarding the matter of his installation on 11 May. Jonassaint says he heard about it only in the press and that he will have to make a decision and take a public position—for he refused to make any statement to Signal FM—once he is officially informed of the matter.

PRH Leader Condemns Sansaricq Attitude, Actions

FL1005200594 Port-au-Prince Signal FM Radio in French 1700 GMT 10 May 94

[Text] Voices are being raised following Senator Bernard Sansaricq's announcement that Court of Cassation

Judge Emile Jonassaint will be installed as president of the Republic on 11 May. Jean Guzman of the Haitian Revolutionary Party [PRH] condemns the attitude of the head of the second Senate Office, namely Bernard Sansaricq, who he says is trying to lead the legislature onto a perilous path. He also let Chamber [of Deputies] President Frantz Robert Monde have it! He thinks Monde is letting himself be manipulated by Sen. Sansaricq. Guzman, leader of the PRH, calls the president of the Chamber of Deputies a traveler without a destination.

Volel Opposes Jonassaint Installation, Convocation

FL1005215494 Port-au-Prince Signal FM Radio in French 1700 GMT 10 May 94

[Excerpts] Christian Democratic Assembly leader Eddy Volel, reacting to the situation prevailing in parliament, said today that only the president of the Republic has the right to convene the Chamber of Deputies in extraordinary session. The Constitution, in Article 101, does not grant the president of the Chamber any right to convene such a session. Neither does it authorize him to sit without recess except for emergency cases, he stated. [passage omitted]

Furthermore, Eddy Volel says he is opposed to the installation of Emile Jonassaint as president of the Republic because, he says, it is as unconstitutional as it is a blatant violation of the 16 December 1990 vote. [passage omitted]

AJEPOPOA Congratulates Senate on Decision

FL1005215594 Port-au-Prince Signal FM Radio in French 1700 GMT 10 May 94

[Text] Haitian People's Power Youth Organization [AJEPOPOA] leader Jude Leon Jean-Jacques is delighted with the Senate's decision to invest Justice Emile Jonassaint with presidential powers. This, he said, is a big step.

[Begin Leon Jean-Jacques recording in Creole] The AJEPOPOA secretary general's office congratulates the Senate of the Republic for this important decision, following so many agreements, so many thoughts, and for its sense of responsibility for the higher interests of the nation by appointing Justice Emile Jonassaint as head of the state, considering the presidential vacuum under Article 149 of the Constitution. [end recording]

Aristide Unable To Request Military Intervention

FL1005192794 Port-au-Prince Radio Metropole in French 1600 GMT 9 May 94

[Text] On 7 May in another interview on CNN, Haitian President-in-Exile Jean-Bertrand Aristide said that in case the new sanctions against Haiti fail, the United States should overthrow the military. It is a question of political will, he said, nevertheless refusing to speak clearly of military intervention. He noted: Under the Constitution, if I ask for a miljtary intervention, I will be dismissed.

Aristide Reacts to Change in U.S. Refugee Policy

FL1005212194 Port-au-Prince Radio Metropole in French 1600 GMT 9 May 94

[Text] The government-in-exile has reacted to the change in the U.S. policy toward refugees. President Clinton's decision represents a step in the right direction, says a communique issued by the Haitian presidency in Washington. The text, however, explains that this policy is not aimed at protecting the millions of Haitians who continue to face political violence.

President Aristide explained in the communique that the nation is in danger and that among the numbers of Haitians who are fleeing repression and political violence in Haiti and who will be questioned on the U.S. Coast Guard ships, only a small percentage will be granted political asylum.

The communique continues... [pauses] in this communique, President Aristide praised the U.S. sectors that prompted President Clinton to change the policy toward Haitian refugees. At the same time, the president-in-exile stated that only his return to Haiti can end the refugees' problems.

Deputy Secretaries Brief Senators on Joining OECD

PA1005043594 Mexico City XEW Television Network in Spanish 0430 GMT 7 May 94

[From the "24 Hours" newscast]

[Text] In Mexico City, four under secretaries explained to senators the details of the country joining the OECD. Guillermo Ortiz, deputy secretary of finance, Pedro Noyola of commerce, Andres Rosenthal of foreign relations, and Norma Samaniego of labor, appeared before senators and reported that Mexico, in joining the OECD, does not grant any privileges in addition to those established by local regulations. Regarding commerce, Noyola said this:

[Begin Noyola recording] We do not relinquish our status as beneficiaries of the general preferential treatment that industrialized countries apply to developing countries. [end recording].

Mexico remains entirely free to sign regional commercial agreements, he said.

Ortiz of finance said financial openings were a difficult point in the negotiation but that a gradual basis was established for operations of banks, stock exchanges, and insurance companies; operations that will be revised in 1998.

Rosenthal of foreign relations said that Mexico did not join a wealthy men's clubs. He explained that joining the OECD will not magically solve the national growth's shortages and deficiencies. Samaniego of labor said that Mexico's advantage in this area is that the nation will have access to advanced studies on labor and job markets.

The senators were informed that in this year's first quarter, foreign investment increased 89.5 percent over last year. In the first few months of 1994, more than $5.2 billion have been invested in creating 34 new corporations under the new foreign investment law. Sixty-three percent of these investments originated in the United States. Following the meeting, the senators will decide whether or not to approve Mexico's joining the OECD.

Drug Traffickers Vie for Control of Tijuana

PA1105021694 Mexico City UNOMASUNO in Spanish 9 May 94 pp 1, 12

[Article by Francisco Gomez and Lorenzo Garibay]

[Text] Tijuana, Baja California, 8 May—Given its geographic location, its almost 40 km of common border with the United States' richest state, and its economic potential, this city has been one of the areas most contested by drug gangs and cartels operating in Mexico. This is particularly true of the those led by the Arellano Felix brothers and by Hector Palma Salazar, alias El Guero Palma.

The war among drug trafficking mafias has left behind a wake of death and violence. In the past two years, more than 50 "executions" have taken place involving the death of people linked to these two gangs that are vying for control of this area, which is strategic for drug trafficking.

Tijuana, which is a natural stepping stone to the world's largest drug consuming market, has been known for its large numbers of drug seizures. In the past 16 months in this area, approximately 65,500 kg of marijuana and 16,316 kg of cocaine as well as 10 kg of heroin have been seized, demonstrating that this is a place favored by drug traffickers, according to the Attorney General's Office.

The streets in this city have been the scene of drug trafficking gang rivalries and of police complicity with these gangs as well as an increase in drug abuse among the community, particularly among youths.

So far this year, five deaths have been attributed to the drug trafficking groups. Of these deaths, the murder of Alejandro Castaneda Andre, commander of the special group of the Judicial Federal Police [PFJ], and the 28 April murder of Federico Benitez Lopez, director of Municipal Public Security and of his driver Ramon Alerid Cardenas, stand out. In this last case, no one has been arrested, and there are no leads. In the Castaneda Andrade case, however, a state judicial police officer, who was in the company of a group of drug traffickers, and a "godmother" were arrested. Nevertheless, what is most remarkable is that legal action was taken against Sergio Ortiz Lara, the state's deputy prosecutor, for helping in the escape of members of the Arellano Felix gangs.

According to an investigation conducted by the National Poll on drug use in Baja California and Tijuana, in particular, the community is becoming a large consumer market, particularly for drugs such as cocaine and crack. The study results indicate that the majority of the youths polled in junior high and high schools started abusing drugs before they were 15.

The drug cartels' struggle to impose their control on this area has given way to the so-called "executions," which, in the last 24 months, have taken as victims a state judicial police agent; Wenceslao Berinstain Avila, a former Attorney General's Office agent; Pedro Rodriguez Moreno, a customs agent; Israel Alvarado Acosta and an associate; and Jose Luis Stavinsky, son of a well-know Tijuana businessman, in addition to many other victims. The majority of these cases remain unpunished.

The drug cartels' struggle for this city and other important sites for drug trafficking activities came out in the open a year ago in Guadalajara, Jalisco, when Cardinal Juan Jesus Posada Ocampo and six other individuals were murdered. The incident took place during a confrontation at the Guadalajara airport among groups led by the Arellano Felix brothers; Joaquin Guzman Loera, alias El Chapo Guzman; and El Guero Palma. Previously a confrontation had taken place between them at the disco Christine de Puerto Vallarta.

The Arellano Felix brothers, Ramon, Benjamin, and Javier, are the ones who have controlled this activity in Tijuana in the past few years, after they inherited control from their uncle Miguel Angel Felix Gallardo. Felix Gallardo during his time and up until his incarceration at the high security penitentiary in Almoloya, Juarez, was considered the capo of Mexico's largest drug trafficking ring.

Arellano Felix's power and influence became obvious when 35 safe houses, a farm, and an industrial factory were seized. An unfinished tunnel was uncovered in the factory. This tunnel was to connect Tijuana with San Diego to smuggle drugs into the United States.

Recently the PGR sold off properties belonging to this gang consisting of 12 furniture lots, stuffed animals, vintage wines, paintings and sculptures of well-known artists, and other ostentatious articles. The starting bidding price was 134,642 pesos. Two days before, 11 homes that had been seized were put on public auction, however, only one was sold, the price of which is unknown. The company in charge of carrying out this operation was Avaluos Integrales S.A. de CV, contracted by the PGR itself.

Up until now, the Arrellano Felix brothers remain at large with the exception of Francisco Javier Arellano Felix, who was arrested by the PJF in Tijuana in December. He was transferred to the Almoloya high security jail in Juarez where his staunch rival, Joaquin Guzman, alias El Chapo Guzman, has been since June. El Chapo Guzman was arrested in Guatemala and turned over to the Mexican authorities.

The last time any news was heard about the Arellano Felix gang was on 3 March during the shoot out in which Alexandro Castaneda Andrade, commander of the special group of the PFJ in that city, was killed. Andrade had located the site where Javier Arellano Felix, alias El Tigrillo, and his lieutenant Ismael Higuera Guerrero, alias El Mayel, were hiding. He was killed, however, during the confrontation when he attempted to arrest them. The case still has not been totally cleared up, but, according to versions of the PRG itself, El Tigrillo and El Mayel had already been arrested but were released by state police agents, allegedly by deputy prosecutor Sergio Ortiz Lara himself. Ortiz Lara is currently under arrest for his alleged responsibility in this case.

The most recent victim here of the drug trafficking groups was Federico Benitez Lopez, director of Municipal Security Police, and his driver Alarid Cardenas, who were murdered 10 days ago on the highway in La Mesa. Benitez Lopez became known for confiscating weapons and marijuana in that city.

Benitez Lopez held that post for five months, when the drug trafficking phenomena was to be attacked in a joint action on three government levels. Nevertheless, the plans failed due to the rivalries among the different police corps and the corruption spread by the distribution of dollars by organized crime.

The large drug cargoes that reach this border have resulted in a peculiar phenomena: San Diego California drug addicts come to exchange weapons for drugs. This was reported by David Rubi, chief of the Tactic Group, who affirmed that weekly a weapon known as a goat's horn [cuerno de chivo] is found in the hands of gang members in this city's poor neighborhoods.

Roundup of Economic Developments

PA1005195994

[Editorial Report] The following is a compilation of reports on economic developments monitored through 10 May.

The Mexican mining industry has suffered a 12 percent drop in production over the past four years, according to the Trade Union of Miners. The union also reported that 30,000 workers have been laid off during this period. (Mexico City XEW Television Network in Spanish 0435 GMT 4 May 94)

The price of domestic raw materials rose 3.1 percent in the first quarter of 1994, according to an EL FINANCIERO study based on figures from the Bank of Mexico. The newspaper's analysts point out that this rate of inflation was below the inflation rate recorded by raw materials on the international market, which rose 8.6 percent in the same period. Nevertheless, the study points out that in 1990-93, Mexican consumer prices rose annually at 26.7, 22.7, 15.5, and 9.8 percent, while domestic raw materials rose only 23.6, 8.3, 5.7, and 1.7 percent, respectively. The difference lies in the price of imported materials, which are usually higher. (Mexico City EL FINANCIERO in Spanish 5 May 94 p 3A)

Higher inflation and less economic growth are now the government's projections for 1994. Following the murder of presidential candidate Luis Donaldo Colosio and the events surrounding the investigation and the election process, the government has adjusted the targets in its economic plan. Now, inflation is expected to reach 7-8 percent, and GNP growth has been revised downward and is expected to range between 1.5 and 2 percent. (Mexico City EL FINANCIERO in Spanish 5 May 94 p 24)

Unemployment in the 37 largest metropolitan areas rose to 3.8 percent in January, the highest January figure since 1992 and the third highest within the past 24 months. The National Institute of Statistics, Geography, and Information (INEGI) reported that 1.286 million people are out of work. Some 180,000 of these people are teens and young adults with no previous job experience, who were forced into the labor market and have not yet found work. INEGI monitors this figure on a weekly basis. (Mexico City LA JORNADA in Spanish 5 May 94 pp 60, 48)

An EL FINANCIERO study based on INEGI statistics indicates that the number of new jobs offered during the first quarter of 1994 showed a negligible increase of 0.1 percent. Only 11,000 new jobs were made available,

which means that the government will reach its goal of 500,000 new jobs a year over a four-year period. The report concludes by saying the private sector has reported layoffs and closures in most major areas of production, which in turn makes it poor source of new jobs. (Mexico City EL FINANCIERO in Spanish 6 May 94 p 3A)

The Confederation of National Chambers of Commerce (Concanaco) has reported that the private sector's contribution to the nation's GNP dropped 1.2 percent in 1993. This is the largest fall since 1986. According to a Concanaco study, this had a negative effect on jobs and sales. The report projects, however, that there will be some recovery during the first quarter of 1994, although this recovery will be modest. (Mexico City EL FINANCIERO in Spanish 6 May 94 p 28)

The Mexican Secretariat of Agriculture and Hydraulic Resources (SARH) has reported that the agricultural trade deficit declined 84 percent in 1993 from the previous year. SARH noted that the 1992 trade deficit topped $761.47 million, while in 1993 the deficit reached $121.45 million. The report added that Mexico basically continues to sell raw coffee, fresh vegetables, and fruit, except for cantaloupe and watermelon, and is still purchasing soybeans, sorghum, and wheat. (Mexico City LA JORNADA in Spanish 6 May 94 p 57)

It has been reported that 68 of the 213 nonfinancial business enterprises on the Mexican Stock Exchange (BMV) registered net losses during the first three months of 1994. On the other hand, 79 consortiums reported their profits dropped by 23.2 percent, while 66 enterprises registered increases. (Mexico City LA JORNADA in Spanish 6 May 94 pp 72, 58)

The depreciation of the peso and the increase in interest rates, particularly 28-day Treasury Notes, have prompted financial middlemen to record losses in their net earnings in the first three months of the year. At least eight trading companies reported losses, 10 percent of the customers from 154 investment societies withdrew, and more than eight banks reported heavy losses. In addition, 60 companies in the BMV registered exchange losses worth more than 4.352 billion new pesos. (Mexico City EL FINANCIERO in Spanish 9 May 94 p 6)

In view of the increasing debts of corporations and individuals, less financing from national banks, and the uncertainty prevailing in the economy with regard to the lack of growth, consumer prices continued to drop in the first three months of the year. According to reports from 17 businesses working with the BMV, their net sales amounted to 12.343 billion new pesos from January to March 1994. (Mexico City EL FINANCIERO in Spanish 9 May 94 p 3A)

The federal and state governments have invested approximately 179 million new pesos in Chiapas State to be used in emergency programs in the areas of electrification, potable water works, and productive programs. (Mexico City LA JORNADA in Spanish 9 May 94 p 3)

Juan Ramon Jimenez, an economist from the Technological Institute of Monterrey who is conducting a study on the concentration of wealth, has concluded that 60 percent of the revenue generated in the country is being earned by 10 percent of the population, while 10 percent of the overall annual income is being distributed among 60 percent of the population. Jimenez says this "gap between the rich and poor" is the result of the fact the Mexican economy is highly monopolized. For example, the value of the shares owned by eight companies in the BMV is equivalent to one-fourth of the GDP. (Mexico City LA JORNADA in Spanish 9 May 94 p 48)

On 9 May, the Bank of Mexico reported that Mexico registered an inflation rate of 0.5 percent during April, and that the annual inflation rate so far this year amounts to 2.31 percent, which is lower than the inflation rate for the same period in 1993, which amounted to 3.27 percent. (Paris AFP in Spanish 0045 GMT 10 May 94)

Given the weakness in the world fuel market, which has been generated by an excessive supply of petroleum products and the fall in international prices, Mexican petroleum exports declined at an annual rate of 16.6 percent in the first two months of 1994. Overseas sales of crude, its by-products, and petrochemical products totaled $986.6 million in the first two months of the year. This represents 19.5 percent of the nation's total exports, without taking into account assembly plant exports in this same period. (Mexico City EL FINANCIERO in Spanish 2 May 94 p 3A)

During the first two months of the year, Mexican public sector exports, without taking into account assembly plants, only grew 11.9 percent over the same period last year when they registered a growth rate of 21.5 percent. Nevertheless, the exports by the Mexican private sector in this same period grew 21.5 percent. Sales to various international markets totaled $5.58 billion, of which $3.70 billion was for semi-finished goods, $1.502 billion for consumer goods, and $484.8 million for capital goods. (Mexico City EL FINANCIERO in Spanish 3 May 94 p 21)

A Bank of Mexico report indicates that the nation's current accounts deficit has grown more than 700 percent during this administration. According to the report, the trade exchange of merchandise was one of the factors that influenced the increase the most, with imports outpacing exports. The current accounts balance in tourism registered a $605.2 million surplus, while revenues from travelers totalled $6.167 billion. (Mexico City UNOMASUNO in Spanish 3 May 94 p 16)

Factors affecting administration, customs, handling, and dredging work, as well as the increase in maritime traffic in local waters and a lack of infrastructure for port facilities, have resulted in a decrease in services to foreign trade since the implementation of NAFTA. Moreover, extended delays for ships in Mexican ports have created huge increases in operating costs, which are

estimated to run as much as $5,000 a day for a ship in port. (Mexico City EL FINANCIERO in Spanish 3 May 94 p 24)

A Secretariat of Commerce and Industrial Development study indicates that Mexican sales to the United States increased 22.6 percent over the first two months of the year "as a result of the implementation of NAFTA." The study also notes that the Mexican farming sector has a dynamic role in exports to the United States in terms of peeled citrus, dried melons, prepared potatoes, prepared tomatoes, dehydrated onions, nuts, canned vegetables and fruits, melons, watermelons, papayas, and sunflower seeds. (Mexico City EL FINANCIERO in Spanish 3 May 94 p 5)

Political Credibility Obstacles Cited

94CA0109A Mexico City EXCELSIOR in Spanish 21 Apr 94 pp 1-A, 10-A

[Commentary by Colegio de Mexico international relations specialist Lorenzo]

[Text] The train of Mexico's comprehensive modernization has already left the station where Carlos Salinas and his neoliberals were. They did not board it because they were very busy with the macroeconomic reform. It is obvious today, however, that they made a mistake because the train was carrying the political foundations of stability for the new economy. If the Salinas group (well, what is left of it) starts running after it, they still just might be able to clamber onto the caboose. It would not be a very elegant maneuver, but as we shall see, the alternative is worse.

As things now stand, the Salinas group's main problem is credibility. How are we to define political credibility? A not particularly scientific, yet accurate definition would be as follows: credibility is something that the Mexican Government currently lacks but that it cannot do without or substitute for in order to effectively exercise authority in times of crisis.

Credibility is nothing more than a predisposition to believe someone or something in spite of inadequate objective evidence. In the specific case of a government's credibility, it represents the degree to which citizens (or at least a majority of them) are satisfied with the deeds, explanations, promises, and character of the authorities.

To say that the Mexican Government suffers from a growing lack of credibility is neither new nor unfounded. Let us look at a current example. Mori de Mexico, the polling firm run by Miguel Basanez, posed the following question to 312 persons whom it interviewed over the telephone in five major cities between 8 and 10 April: "Do you think that the people who are really to blame for Colosio's assassination will ever be found?" Forty-three percent said no; 34 percent said they did not know, and just 23 percent said yes. So, just slightly more than two of every 10 respondents showed complete confidence in the government regarding something as important as solving the murder of the state party's presidential candidate while he was being guarded by the Presidential Staff.

As for the official investigation into the assassination of Cardinal Juan Jesus Posadas Ocampo last year in Guadalajara, the bishop of Cuernavaca, Luis Reynoso, speaking at the Conference of Mexican Bishops, declared: "We (bishops) are not satisfied but we do hope to learn more." I do not think that I am exaggerating if I say that many of us Mexicans feel worse than the bishops: dissatisfied with the investigations into the assassinations of Colosio, Posadas, and many others (Buendia, Ovando, the Ocosingo five, the "Morelia" ejido three, etc.) and without much hope of seeing these cases solved.

Trust in the authorities is an indispensable, irreplaceable element of a good government. True, a government can, in principle, compel obedience to its authority by sheer force, but in the long run, force or fear has never been the foundation of good government. And although the threat of force to compel obedience underlies every form of government, the modern exercise of authority ought to be based on persuasion, not coercion.

Ideally, political authority ought to be synonymous with "legitimate power," and obedience ought to be the upshot of such legitimacy. But legitimacy is not possible without credibility. Therefore, it is urgent to restore the credibility of the governmental structure in our country. Only a massive infusion of trust in government action will enable the country to cope successfully with the complex and dangerous dynamics already unleashed by the major political event that is hurtling towards us: the 21 August elections.

According to the previously mentioned Mori poll, the gap between the presidential candidates of the State party (PRI) and the PRD [Party of the Democratic Revolution] is barely 10 percent, which is just about how far the PRD candidate is in front of the PAN [National Action Party] standard-bearer. Moreover, one-quarter of the respondents declined to voice a preference. So, the actual outcome of the election is going to depend on them, in other words, the people who are not sure or do not wish to say for whom they are going to vote. One can, of course, argue about how representative and statistically reliable the Mori survey is (90 percent), but there can no longer be any doubt that the upcoming election will be genuinely competitive.

After ludicrous, shameful experiences like the unopposed candidacy of Jose Lopez-Portillo, the fact that electoral competition is finally taking root in Mexico is very encouraging. Institutionalizing such competition is the only path to a truly democratic political system because only then will the electorate have real choices in terms of leaders and programs. Nonetheless, darkening what should be a bright horizon is the fact that in 1994 this competition is going to take place amid civic skepticism.

True electoral competition against a backdrop of mounting mistrust, marked by doubts about the impartiality of the government during the campaign and, above all, about the accuracy of the official returns, is a perfect prescription for turning the post-election period into precisely what it ought not to be: a conflict that swamps institutional channels, a conflict of whose origin we are well aware but of whose outcome we are not sure. And an ungovernable country is one of the outcomes it may hold for us.

PRI's preparations for 21 August and whatever comes afterward are not at all reassuring. According to a PRI document that the newspaper REFORMA (16 April) obtained a copy of, the party already has a plan, designed by propaganda experts, to use the supposedly neutral authorities for its benefit, among other things. Specifically, the plan "envisages the selection of groups of officials from political organizations, such as the IFE [Federal Electoral Institute], the Interior Secretariat...to issue discreet, programmed, and timely statements with the message and of the intensity deemed necessary to define and control the direction of the debate." Since the problem is credibility, not an official victory, PRI already intends to proclaim victory on 21 August and to back it up with, among other things, the "testimony of polling-place officials, stating that they had seen no anomalies." Therefore, the State party is alive and kicking. The separation between PRI and the government Colosio announced shortly before he was assassinated has not taken place; much less is there a determination to hold clean elections.

PRI is not showing any real willingness to change its long-standing policy, the one that says: elections in Mexico are useful for a lot of things, except to decide who is to govern. And the fact that the famous "Atlacomulco group," headed by Carlos Hank Gonzalez, is the one that has has been charged with seeing to it that PRI's new candidate, Ernesto Zedillo, wins makes it even more unlikely that the outcome of the election next August will be credible. The "Atlacomulco group," which is monopolizing leadership posts in the Zedillo campaign, does not exactly have a reputation as a friend of modern democracy. Quite the opposite: it is known for its iron-like determination to prolong the authoritarianism that has turned out to be such a good deal for many of its members.

While Mexican politics was conducted against the backdrop of the authoritarian normalcy that was created and bolstered during 65 years of uninterrupted control by a State party, electoral credibility was not a particularly important factor because average Mexicans had no choice but to abide by the dictates of the government, whether or not they believed or liked it. Until 1988, we Mexicans had no real political options. The situation is different today. Going against the grain and overcoming countless obstacles, the options have finally emerged, and therefore, the elections are going to be competitive. This time, however, the opposition (the Cardenas people in particular) is better organized than in 1988, and it will be harder for the president and PRI to assure the country's governability if the opposition refuses to accept the legality of the election results.

When trust in the authorities is something more than just resignation, credulity, or naivete, it is the result of experience, something born of a pattern of conduct by government officials towards the governed, whereby they keep their promises and make their actions consistent with their words. The Salinas group has been credible only in the realm of macroeconomics. Hence, Salinas' credibility is strong only among the financial elite.

As far as the overseas audience is concerned, Salinas' major promise was to carry out neoliberal economic change while maintaining social order and political stability. Since the latter part of the promise has not been kept (Chiapas, Tijuana), Salinas' credibility abroad has declined dramatically. One good example of this is the recent article by Michael Elliot in the 4 April issue of NEWSWEEK. According to him, today, Mexico is paying the price for having brought about economic change while trying to save itself the political cost. Salinas' "fatal error," which, according to Elliot, Asian and African leaders should take note of, is this: "If a society is granted economic freedom, it will also have to be given other freedoms: to elect its authorities and to express its desires openly. If this does not happen, the supposed economic liberator will be consumed by the fire of unfulfilled expectations."

At the beginning of this article, I stated that perhaps all is not lost as far as credibility is concerned. Indeed, the president can still lessen the long-term consequences of his "fatal error." For example, he could and should make a dramatic gesture to separate his government and his economic reforms from the fate of Ernesto Zedillo in particular and PRI in general. He could summon the leaders of the authentic opposition (PRD and PAN) to a "summit meeting" and at last lay the groundwork for a true historic pact. Such a gesture could transform what threatens to be a disastrous finale for his six-year term into something positive and different: a transition from authoritarianism to democracy.

What is at stake today is the governability of the country after August. Without such governability, the gains that have been made in the neoliberal economic agenda run the risk of being undone. If that were to happen, there would be neither political nor economic modernity, and the losers would not be just, as always, the people on the bottom but also the ones on top.

Costa Rica

Central American Leaders Meet New President

Support Regional Integration

PA1105011494 Panama City ACAN in Spanish 1858 GMT 8 May 94

[Text] San Jose, 8 May (ACAN-EFE)—The presidents of five of the six Central American nations today analyzed in Costa Rica the conditions of the coffee and banana markets, agreed to reach a common agenda for the next American summits, and expressed their support for the integration of their countries and for the Guatemalan peace talks. The chiefs of state also agreed to find common grounds to negotiate a group free trade agreement with Colombia and Venezuela, because their countries have signed only bilateral agreements.

Salvadoran President Alfredo Cristiani, Nicaraguan President Violeta Chamorro, Guatemalan President Ramiro De Leon Carpio, and Honduran President Carlos Roberto Reina on 8 May had breakfast with the new Costa Rican president and signed a joint declaration stating their decision to continue on the path of integration.

Honduran President Carlos Reina said the Central American nations "will not go" to the December Inter-American meeting with U.S. President Bill Clinton "to ask questions"; "we will go there to discuss the interests of our region in view of the enormous economic market that has opened among Mexico, the United States, and Canada," he added.

Reina pointed out that Central Americans will go there "united and with sound proposals;" he also said the difficult part is not joining NAFTA (signed by those three countries); the difficult part lies in the negotiations themselves, because this agreement "reflects the economic globalization that is taking place under the current end-of-the-century conditions."

The mini-summit took place following the inaugural of Costa Rican President Jose Maria Figueres, who took office today. This mini-summit was held to analyze the advancements in regional integration and to prepare an agenda for the June Ibero-American Summit in Colombia and the summit in the United States.

Salvadoran President-elect Armando Calderon Sol, who will take office on 1 June, also attended the meeting; however, Panamanian President Guillermo Endara could not attend it because of the general elections taking place in his country today.

Figueres told the media he talked with his Central American colleagues about such economic issues as maintaining a partial hold on the coffee harvest by coffee-producing countries to pressure international markets to pay better prices.

He added they also talked about the banana trade between the isthmus and the EU. This trade triggered an economic and political crisis in 1993 when banana import restrictions were enforced.

In their joint declaration, the presidents called on the Guatemalan guerrillas to keep negotiating peace with the government, and according to Figueres, the chiefs of state are hopeful these peace negotiations will successfully end this year.

The Ramiro De Leon administration and the Guatemalan National Revolutionary Unity (URNG) last month agreed, along with international observers, on a calendar to hold negotiations and on a human rights agreement to end the last Central American armed conflict, which dates back to 1960.

The Central American presidents agreed that their foreign ministers will meet on 23 and 24 May in Guatemala and will draft an agenda to forge a common front to attend the Ibero-American Summit in Cartagena de Indias (Colombia) on 14 June.

Figueres emphasized that the presidents will review this agenda in El Salvador on 1 June, when they will meet to attend Calderon Sol's inaugural. He also said a similar mechanism will be adopted prior to attending the Miami Summit that Clinton will hold in December 1994.

At the end of the meeting, Salvadoran President-elect Armando Calderon Sol said that Central American integration is a well-traveled path that we must continue to follow to give continuity to the agreements already achieved, mainly economic agreements.

The mini-summit of Central American presidents took place at a San Jose hotel shortly before Figures' inaugural.

De Leon: No Major Obstacles to Peace

PA1105011694 Panama City ACAN in Spanish 2125 GMT 9 May 94

[Text] San Jose, 9 May (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio said today in San Jose that there are no major obstacles blocking the signing of a peace agreement with the guerrillas before the end of year, adding that the appointment of a truth commission could do more harm than good.

De Leon said during a news conference that an agreement establishing a timetable for the negotiations and an agreement on human rights with international verification, which were signed last month, make "irreversible" the process to end an armed conflict dating back to 1960.

The Guatemalan president explained that the main components of his peace plan are achieving reconciliation, meeting social demands, and ending the armed conflict. He added that these goals are supported by most local sectors and by the international community.

"We have never been so close to peace," de Leon Carpio said. He insisted that the human rights agreement was the "Gordian knot" of the negotiations, but that as soon

as this is overcome the process will advance more smoothly. The president, however, added that there are certain groups at home or abroad that could take advantage of any strike or social movement to create instability, but that the government is ready to neutralize their actions.

As for the establishment of a truth commission or commission on the past, de Leon said that, after an analysis on its advisability, the government concluded that its results could be more negative than favorable to national reconciliation. He pointed out that investigations into serious human rights violations would be biased against the Army because "there are documents only" on this sector and not on the actions carried out by the guerrillas of the Guatemalan National Revolutionary Unity (URNG).

"If the goal of that (truth) commission were to strengthen peace, the government would support its creation, but it could, however, widen the gap, open new wounds, and cause further polarization," the head of state added.

Ramiro de Leon Carpio insisted that "the ideal" would be for Guatemalan society to learn the facts, learn who was responsible, and have them face justice, but said that "there are conditions that render this difficult—there is currently consensus in this regard—but the government is always willing to discuss this."

As for a joint declaration issued on Sunday by the Central American presidents in support of peace negotiations in Guatemala, de Leon Carpio said that it is a recognition of government efforts and an initiative to strengthen the "final stretch" of the process.

He pointed out that certain rulers, such as Alfredo Cristiani of El Salvador and Violeta Chamorro of Nicaragua, are experienced in this kind of process "and understand that the final route presents certain obstacles, some of which are natural and others provoked."

Besides Cristiani and Chamorro, the declaration was signed by Costa Rican President Jose Maria Figueres, who took office on Sunday, and by Honduran President Carlos Roberto Reina.

Panamanian President Guillermo Endara attended neither Figueres' inaugural nor the "mini-summit" in which economic issues were also analyzed, because general elections were being held in that country.

The rulers called on the URNG to "give clear signs of its political determination to reach the firm and lasting peace that all Guatemalans are demanding and that all Central Americans long for."

Ramiro de Leon Carpio, however, pointed out that his colleague's call does not mean that the guerrilla group has not shown a willingness to end the armed conflict, because it signed agreements on human rights and on a timetable for the negotiations.

Reina To Review Armed Forces Autonomy

PA1105044394 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 9 May 94 p 39

[Report by Francisco Valeriano Giron]

[Text] San Jose, Costa Rica— Honduran President Carlos Roberto Reina has stated here that the autonomy of the Honduran Armed Forces and its commander will be reviewed shortly. He also made reference to military personnel's participation in private enterprises and said it is a very sensitive topic that the Honduran Congress will have to debate. Those issues were brought up at news conference by President Reina with international media representatives attending the inaugural ceremony of the new Costa Rican president.

Reina said civilian society had maintained a fearful attitude in the past and that this had allowed the military sector to obtain too much power over society. As an example, he mentioned that, according to the Constitution, the National Congress has to establish the amount of troops the armed institution can have. However, this has never been done. He pointed out that one of the most negative measures implemented by the Armed Forces was troop recruitment, since it forced only poor people to serve in the institution and excluded the rich ones. A positive change, said Reina, is that this system has been abolished and that Congress has already approved a new method in its first debate. The Armed Forces have also accepted the new system.

Military Firms

The Honduran president pointed out that Congress will have to decide whether military personnel can use their retirement funds to invest in commercial activities. He believes they have a right to do so. However, the problem is that they could use their military influence to attain unfair competition vis-a-vis the rest of the merchants. The National Congress will discuss the issue and reach a final decision on it, Reina asserted.

President Reina emphasized that he has never wanted the Honduran Armed Forces to be abolished, because he does not believe it is in the country's best interest to do so. The Honduran Armed Forces, he stated, have asserted that the Costa Rican Army is bigger and has a bigger budget, but this is something that would have to be studied. [sentence as published] Reina said he did not want to argue over this assessment and reiterated that it is what the Honduran Armed Forces officers maintain.

The important thing now, he added, is to go from an absurd and inhuman concept, such as the one on national security, to the concept of guaranteeing individual security, which we will establish because we require a force to ensure this. If a law does not have a coercive mechanism, it stops being the law, he said.

In Reina's opinion, the phase during which an abusive army took command of the country has been totally transcended. He said all the human rights violations in

the country occurred when military officers governed the country. He said he was one of the Central American citizens who had strongly opposed those governments and had even condemned governments formed by his own party because he was determined to defend human rights.

Armed Forces Commander

Reina was asked about the Armed Forces commander and his relations with General Luis Alonso Discua, the current Honduran Armed Forces commander. The president said he maintained good, cordial relations with Discua.

The Honduran president said, however, that in his opinion a mistake had been made in the 1957 Constitution in the section that establishes the Armed Forces commander's appointment, which also gives him too much autonomy in his actions. He added that the then Constituent Assembly president had explained that such provisions had been included in the Constitution because, without them, they could not democratize the country.

Reina believes the figure of the Armed Forces commander, as well as his autonomy should, perhaps, be reviewed. He emphasized that his relations with Gen. Discua are very good and that he has no complaints or reasons for distrust. The military commander has reiterated this since he accepted subordination to the president of the Republic.

President Reina mentioned that Gen. Discua's term ends next year and his replacement will be selected from a list sent by the Armed Forces to the National Congress. He added that, if several constitutional amendments are made, the military commander would be the defense minister and would be appointed by the president of the Republic.

Anyway, he added, Honduras is in a straightforward process to achieve its full democratization and the reassessment of its priorities, which is currently the basic position in America and the world.

Figueres Holds News Conference With ROC President

OW1005122194 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 7 May 94

[Report by correspondent Kang Yu-feng in San Jose on 7 May; from the "Hookup" program]

[Text] Jose Maria Figueres, who is to become the next president of Costa Rica, announced his policy on the ROC at a joint news conference with President Li Teng-hui. Through an interpreter, he stressed that Costa Rica will continue its efforts to help the ROC gain deserving status in the international community. He also pointed out that it is appropriate for the ROC to join the UN and that at every occasion Costa Rica will support the ROC, which firmly defends democracy and has traditional ties of friendship with Costa Rica.

[Begin Figueres recording] We will always stand on the side of the ROC and continue to fight for the ROC when necessary, so that the ROC will gain deserving status in the international community. We will not only continue our support for our traditional friend, but also render support, at every international occasion, to a country that defends democracy consistently. [end recording]

President Jose Maria Figueres also expressed his wish to visit the ROC after he is sworn in and state affairs are in order, so as to draw on the ROC's experiences in every field. President Li Teng-hui expressed heartfelt thanks for the promise by the new Costa Rican Government. Besides, he stressed, as a sovereign state, the ROC is currently practicing pragmatic diplomacy and promoting cross-strait relations. There is no controversy in doing these simultaneously. He hoped the two sides of the strait would achieve mutual understanding. There is nothing inappropriate in the ROC trying to find a way to practice diplomacy and join the UN.

[Begin President Li recording] It is very important for the two sides to foster mutual understanding. The ROC, however, needs to find a way to practice diplomacy as a sovereign state. In my opinion, these activities should proceed simultaneously. Since the ROC meets the requirement that a UN member state be peace-loving, it is very appropriate for the ROC to join the UN. [end recording]

When answering a question at the news conference about solving the issue of Costa Rica's agricultural development, President Li Teng-hui, an agricultural expert, modestly said that President Jose Maria Figueres, a former agricultural minister, knows more about agriculture than he and surely has concrete plans. Li said the ROC Government and the private sector will help him fulfill these plans.

ROC Leader Meets Calderon, Other Leaders

OW1005123794 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 7 May 94

[From the "Hookup" program]

[Excerpts] On the second day of his stay in Costa Rica, Republic of China [ROC] President Li Teng-hui, in additional to making official calls, met separately with leaders of El Salvador and several other nations who were in Costa Rica to participate in the inauguration of its new president. These meetings, which were among the most important items on the schedule of President Li's tour of Central America, are of considerable significance for enhancing the ROC's [word indistinct] with its friendly nations. During the meetings, it was expected that President Li would try to enlist the leaders' support for the ROC's bid to participate in UN activities.

The day's schedule of important meetings was as follows: At 1030 on 7 May, President Li met incumbent President Alfredo Cristiani and President-Elect Armando Calderon Sol of El Salvador. At 1115, he met Angel Roberto Seifart, vice president of Paraguay. In the afternoon, he met with Honduran President Rafael Leonardo Callejas [as heard] and later with Guatelaman President De Leon Carpio. Besides President Li, other heads of state who came to participate in the inauguration included the leaders of Nicaragua, Honduras, El Salvador, Colombia, and Guatelama.

President Calderon of the Republic of Costa Rica presented Costa Rica's state medal to President Li yesterday. After accepting the medal, President Li emphasized that the medal is not only a personal honor but also symbolizes the noble and sincere friendship between China and Costa Rica. He pledged that the ROC Government would continue its efforts to enhance cooperation with the Costa Rican Government. China Broadcasting Corporation special correspondent Kang Youfeng filed the following report:

The presentation ceremony was held on the evening of 6 May, Costa Rican time. Outgoing President Calderon presided over the ceremony personally. Former presidents and vice presidents of Costa Rica and diplomats from various countries, nearly 100 in all, were present. [passage omitted]

After accepting the medal, President Li expressed his appreciation.

[Begin Li recording] Confering this honorable [word indistinct] cross medal of state on me is not merely an honor for myself. It is also a symbol of the noble and sincere friendship between our two nations. I am deeply touched. The ROC Government and people treasure the noble friendship of your government and people. I would like to avail myself of the opportunity presented by the changeover of administrations to pledge continued efforts by the ROC Government in enhancing cooperation with the incoming administration. [end recording]

After the ceremony, President Li accepted congratulations from the distinguished guests. Afterward, President Calderon hosted a banquet in the presidential house in honor of President and Mrs Li, the ROC delegation, and distinguished guests from various countries.

Roundup of Economic Developments

PA1005204294

[Editorial Report] The following is a compilation of reports economic developments monitored through 10 May.

Agriculture Minister Juan Rafael Lizano reported on 4 May that agricultural exports represented 67 percent of the total exports in 1993 and have increased 4.5 percent over the past four years. (Panama City ACAN in Spanish 2052 GMT 4 May 94)

Costa Rican President-elect Jose Maria Figueres announced on 7 May cooperation agreements with Taiwan in the financial, infrastructure, and agricultural areas. Taiwan will maintain deposit certificates for $40 million in the Central Bank of Costa Rica, will finance the construction of a tourist port in Puntarenas and a road from Naranjo to Florencia in the province of Alajuela, and the expansion of the ports of Limon and Mohin on the Atlantic coast. A Costa Rican-Taiwanese Foundation also will be created to facilitate credits to farmers. (Mexico City NOTIMEX in Spanish 2037 GMT 7 May 94)

El Salvador

FRS Denies Death Threats Against FMLN Members

PA1005234994 Mexico City NOTIMEX in Spanish 1918 GMT 8 May 94

[Text] San Salvador, 8 May (NOTIMEX)—The clandestine Salvadoran Revolutionary Front (FRS), a group formed by former rebels, today denied that they had made death threats against several former rebel commanders and has blamed the "death squads" for them.

In a communique addressed to NOTIMEX, the FRS said that "at no time has the FRS issued a communique with death threats against Joaquin Villalobos, Ana Guadalupe Martinez, Eduardo Sancho, and others." The communique adds: "We hold the death squads, financed by big capital and led by Armando Calderon Sol (president-elect), responsible for any attack against members of the Farabundo Marti National Liberation Front (FMLN)." Washington linked Calderon Sol, winner of the runoff elections held on 24 April, to the "death squads" in documents that were disclosed in November 1993, even though the politician has rejected this.

Another communique, allegedly issued by the FRS on Thursday, threatened applying the "death penalty" to Villalobos, Martinez, Sancho, "and other traitors" for the support that Martinez and Sancho gave to the rightist Nationalist Republican Alliance (ARENA) during the first session of the parliament held on 1 May. During the session, Martinez and Sancho, members of the Peoples Revitalizing Expression (ERP) and the National Resistance (RN), respectively, and five other deputies, also members of those organizations, voted in favor of Gloria Salguero Gross for the Legislative Assembly Presidency. In exchange, the 39 ARENA deputies supported the nomination of Martinez and Sancho to the offices of vice president and secretary, respectively.

In 1981, the two organizations, together with the Farabundo Marti Peoples Liberation Front (FPL), the Revolutionary Party of Central American Workers (PRTC), and the Communist Party of El Salvador, formed the FMLN, now an opposition political party.

The communique received by NOTIMEX has the FRS logo, whereas the first communique received does not.

The FRS logo is a star under which read the slogans "Farabundo Marti lives in the struggles of the people" and "The weapons shall not be silent while injustices prevail in our country."

The communique accuses rightist ideologue Kirio Waldo Salgado of using the acronym of the clandestine group, which was formed in January 1993, and "taking advantage of the ideological differences within the FRS." The communique reiterates: "We warn the extreme right to refrain from using our acronym. Otherwise, we will take measures and begin to sabotage the economy." The communique adds: "We wish to state to the ERP and RN comrades that the FRS is a disciplined political and military front and only obeys the orders of its general command."

NOTIMEX received a telephone call from an unidentified woman who said: "The day we do this (make threats or carry out attacks) we will make it very clear." Asked about the communique in which the threats are made, the unidentified woman said that it was drafted by the "extreme right."

When Villalobos and Sancho learned of the death threats made against them by the FRS last week, they said that there was a possibility this was a maneuver by the extreme right. The FRS is made up of former FMLN rebels who disagreed with the signing of the peace agreements with the government in 1992.

NOTIMEX learned recently that armed groups operate in the northern area of El Salvador, as well as in the eastern sector of the country.

Guatemala

De Leon Expresses Regret Over Lack of Cease-Fire

PA1105011894 Guatemala City PRENSA LIBRE in Spanish 10 May 94 p 3

[Text] President Ramiro de Leon Carpio said last night after returning from Costa Rica it is a pity the cease-fire cannot be sooner, because from the humane point of view, one minute, one hour, or one day sooner it could save a human life. In addition, it could prevent additional tears, orphans, and widows. Thus, from the humane point of view, it is regrettable.

We all would like for it to be right away, immediately; that is why the defense minister made those proposals, because the people in general yearn for it, ask for it, and demand it, de Leon added.

Nevertheless, if conditions according to them are not right yet and we have to delay this schedule, which has been signed and must be respected, so be it, because we cannot do anything about it, he concluded.

Defense Minister Cited on Cease-Fire With URNG

PA1105024994 Guatemala City SIGLO VEINTIUNO in Spanish 10 May 94 p 3

[Text] Defense Minister General Mario Enriquez said last night at the headquarters of the Guatemalan Air Force: When I speak of a cease-fire, which hopefully will be definite in all areas where guerrillas are present, how joyful this would be, because I believe all of Guatemalan society and even international opinion would be satisfied, even though the URNG [Guatemalan National Revolutionary Unity] does not have the resolve to carry it out.

Enriquez added: "I have never asked for a definitive cease-fire in all areas where there is a guerrilla presence. I have spoken exclusively of the areas between Ixcan and Xabal Rivers, Quiche Department, where the refugees are returning and where the CPR [Communities of Resistant People] are displaced. "

"If they (URNG) defend these people and want those who complain the Army has them surrounded to live in peace, they will, hopefully, show their political resolve with a cease-fire in all of the Ixcan area, because this would help the people join civilian life," Enriquez said.

Army's Strategic Plan Focuses on Postwar Era

PA1005153694 Guatemala City PRENSA LIBRE in Spanish 7 May 94 p 2

[Text] Colonel Morris Eugenio de Leon, chief of the Information and Press Department of the Army (DIDE), says the Armed Forces are preparing for a postwar era and for a revision of goals, according to a strategic modernization and reorganization plan.

The Armed Forces will no longer devote their time solely to wiping out guerrillas. Now, they will also participate in social activities. According to De Leon, a close look at the situation shows that individual rights must be respected.

An example of the Army's new duties is its decision to cooperate with the arrival of 521 refugee families from Mexico. As of 13 May, the Guatemalan Air Force will begin making 18 flights in Araba airplanes to transport the belongings of the refugees, who will be returning to Mayalan, Quiche, where they will attempt to live despite the continuing presence of guerrillas in the area.

The return of the refugees, De Leon added, is part of the aforementioned program, the deadline for which is the year 2003. The plan does not include a reduction in the Armed Forces High Command because its goal is to control future military promotions to prevent saturation.

Bank Grants Loan to Socially Oriented Project

PA1105041094

[Editorial report] Guatemala City PRENSA LIBRE in Spanish 9 May 94 on page 65 reports that the Central

American Bank of Economic Integration (BCIE) has granted a loan in the amount of 15 million quetzals to Fundazucar, "which is the first socially oriented private sector project," according to BCIE Vice President Miguel Gaitan. He made the announcement during the inauguration of the Canaveral housing project in Santa Lucia, Cotzumalguapa, Escuintla. He said the BCIE is carrying out programs to strengthen banking development projects in the region and noted the importance of the project, which is "being used as a model for implementation in other countries."

Honduras

Electricity Rationing Paralyzes Production

PA1105040894

[Editorial report] San Pedro Sula TIEMPO in Spanish 5 May 94 p 2 reported that Adolfo Facusse, president of the Honduran Council for Private Enterprise, has announced that electricity rationing has paralyzed one-fourth of all national production, causing a daily loss of 20 million lempiras, which, if not halted, will cause losses amounting to 5.5 billion lempiras by the end of 1994. Facusse said that among the immediate solutions contemplated is the establishment of an electrical connection with Panama and Nicaragua and repairing of two thermal plants in Tegucigalpa and San Pedro Sula.

Nicaragua

Foreign Minister on U.S. Citizens' Property

PA1005195694 Managua Sistema Nacional de Television Network 0200 GMT 10 May 94

[From the "National Newscast"]

[Text] Foreign Minister Ernesto Leal has stated that Nicaragua will not be affected by the amendment on the expropriation of U.S. citizens' property that was recently approved by the U.S. Senate, because Nicaragua has domestic procedures for returning property to U.S. citizens. The amendment on the expropriation of U.S. citizens' property recently approved in the United States does not affect Nicaragua. The amendment contains three key points required for its application:
1. If the governments that have entered a democratic process have not returned the property in three years.
2. If an effective compensation process has not been implemented, or if the compensation is not adequate.
3. If a domestic procedure that foresees the prompt, adequate, and effective compensation according to international law has not been established.

[Begin Leal recording] The recently approved amendment is not applicable in the case of Nicaragua. Why? Because for the last two years... [pauses] or for the last 18 months, we have been implementing an effective process. Some U.S. citizens have already received compensation bonds. Some U.S. citizens already have been given back their properties. The amendment is accordance with international law. [end recording]

According to international law, the citizenship which is recognized is the citizenship one had at the time of the confiscation. At present, Nicaragua has 22 cases of U.S. citizens pending, Foreign Minister Leal explained. He said that any local or foreign citizen who does not agree with the value assigned to his property by the Confiscations Quantification Office may resort to international arbitration. Leal said Nicaragua is the only country that has a high number of claims by U.S. citizens, but it is trying to resolve them.

[Begin Leal recording] We have the political will to resolve these cases. The president of the Republic has ordered the creation of a compensation system, a process whereby the property can be compensated for or returned. In addition, several ministers, such as the finance minister, myself, and others, are constantly meeting to review the progress of these cases. [end recording]

This amendment is applicable to more than 30 countries worldwide.

Chamorro: Central America To Present Common Front

PA1005160094 Managua Radio Nicaragua Network in Spanish 1200 GMT 10 May 94

[From the "This Morning" newscast]

[Text] The Central American presidents agreed to present a common front at the upcoming Ibero-American summit to be held 13-14 June in Cartagena de Indias, Colombia. This was stated on Monday by Nicaraguan President Violeta Chamorro upon her return from Costa Rica where she attended President Jose Maria Figueres' inauguration.

The five Central American presidents, taking advantage of their presence in San Jose, held a mini-summit in which they also agreed to continue with the integration process. President Chamorro also highlighted the importance of consolidating democracy in our countries and she said that Costa Rica is an example of democracy in the world. To consolidate democracy, President Chamorro stressed, peace and understanding must be achieved by all Nicaraguans. Farmers must be able to plant their crops, she said. Chamorro added that an army and a police force are necessary to protect citizens.

When questioned on an ultimatum issued by the U.S. Government to Nicaragua to solve the property problem, President Chamorro said: I do not think it is an ultimatum, rather I believe it is a cutback in aid to all nations so that the U.S. can asses their respective situations. She added that she does not accept pressures from any government, but she acknowledged that the property

problem must be resolved. For this, however, cooperation is needed from citizens occupying homes that do not belong to them, she noted.

Panama

President-Elect Perez Balladares Interviewed

PY1005233094 Buenos Aires PAGINA/12 in Spanish 10 May 94 p 18

[Interview with President-elect Ernesto Perez Balladares by PAGINA/12 reporter Walter Goobar at the Internacional Hotel in Panama on 9 May]

[Text] [Goobar] Many people did not want to vote for you for fear of what the PRD [Democratic Revolutionary Party] stands for. They contend that "the problem is not the bull, but rather the herd of cattle that comes behind it."

[Perez Balladares] A party comprised of 157,000 people cannot be judged on the basis of the bad reputation of 10 or 15 members. I say that most PRD members are high-minded men and women. Besides, being a member of my party does not mean that one is automatically a member of my government. I will try to govern with the most qualified men and women, regardless of the party to which they belong.

[Goobar] How was it possible to rebuild the PRD, which had been virtually annihilated first with Noriega's administration and then with the U.S. invasion?

[Perez Balladares] They are two entirely different parties. Today's PRD has nothing to do with the PRD of 1989. The former is a democratic party, under no one's control. The latter was a party that had been ravaged by Noriega and the military. The current PDR is an entirely different phenomenon. It constitutes a return to our origins, to what we intended to do back in 1979 when we founded it together with [General Omar] Torrijos. We recovered the democratic and civil institutionalism that had characterized Torrijos' administration until his death. It was then that Noriega and the military took over the party and started to subvert it. I have worked with several fellow party members who believe in the party's original line, and the people believe us because they know that our objectives are real.

[Goobar] How did you manage to get from Torrijos to your administration, skipping Noriega?

[Perez Balladares] Noriega's administration was an interregnum. I had nothing to do with it.

[Goobar] The pro-Torrijos grassroots voted for populism, and yet there is not much room for populism at present.

[Perez Balladares] I believe that rather than populism, they are searching for a system of government that implements ongoing dialogue and consultation. Populism costs a lot of money, and as things stand now there is no way we can finance it.

[Goobar] You will have to set into motion an adjustment process that the administration of Guillermo Endara could not accomplish. How are you going to implement it?

[Perez Balladares] Do you know why the previous administration could not effect an adjustment? Because it never entered into negotiations. They accepted things that were impossible to implement. We must start negotiating a realistic adjustment, one that can be implemented. It is impossible to make an adjustment without taking grain producers into account, for instance. There must be some degree of protection. Colombia has just obtained 80 percent protection for many of its products through GATT. Panama, however, is absolutely unprotected. It is absurd. Even NAFTA has protected goods, items that are not part of the free exchange system. What happened here is that the government was incapable of negotiating a structural adjustment, an applicable adjustment. It simply accepted the recipe without establishing the importance of its basic components.

[Goobar] Panama's main problem is unemployment. Do you have an economic program ready?

[Perez Balladares] You cannot start talking about the economy without first establishing the government's political support bases. We cannot just swim against the current. We must implement programs with social content. We must take measures to immediately lower our unemployment rate.

[Goobar] How do you do that?

[Perez Balladares] By building infrastructure. We have proposals from U.S. companies to build roads, with minority participation by the Panamanian Government.

[Goobar] Many people fear that the dismantling of the U.S. military bases will aggravate the unemployment problem. How will you coordinate these issues?

[Perez Balladares] In the same way the United States has done this where military bases have been closed. We must use the infrastructure to attract investment and create jobs through the construction of plants for the production of exportable products. Many Argentine investors are interested.

[Goobar] How do you explain the fact that Mireya Moscoso de Gruber, the widow of former President Arnulfo Arias, ended up in a surprising second place? All pre-electoral surveys and exit polls placed Ruben Blades in second place.

[Perez Balladares] I think Arias followers' are cautious, and do not express their intentions publicly due to their long history of persecution. Arias' followers vote in secret. They do not want to express themselves publicly.

I can only suppose that many of them said they were going to vote for Blades or Carles, and then voted for their own candidate.

[Goobar] Perhaps it was an anti-PRD [Democratic Revolutionary Party] vote?

[Perez Balladares] I do not think so. It is very difficult to give your political strength to someone else.

[Goobar] You obtained 33.1 percent of the vote and the simple majority, which makes you president-elect. But 70 percent of the people did not vote for you. How do you feel about this fact?

[Perez Balladares] I must take into account that I have not obtained an absolute majority, but I have obtained more votes than anyone else. I think I represent the Panamanian people's desire to have a government of national reconciliation and unity. I understand the results in this way, and I intend to proceed accordingly. I have already invited some people from outside the party to join my government.

[Goobar] Panama and the PRD's relations with the United States have undergone good, not so good, and bad times. Washington, however, considers you one of the best candidates...

[Perez Balladares] I am very happy to hear that. I think our relations with the United States will be very good. Besides, we will be responsible for implementing the last leg of the Carter-Torrijos Treaty. Panama and the United States have many interests in common. Very few things can put us against one another. I am sure we will work cordially and closely united to implement our treaties.

[Goobar] According to the treaties, a condition for the definitive transfer of the canal to Panamanian hands is that the country must be able to guarantee the canal' security. How will a country that was left without an Army after the invasion do this?

[Perez Balladares] The era of intercontinental missiles has made the canal undefendable. We would not be able to defend the canal even if we dedicated our entire gross national product to create an Army to serve that purpose. The United States is not defending the canal against a true or possible military attack, either. The Panama Canal is invulnerable because it is neutral. No one will want to destroy it if every one can use it. There is no need for an Army.

PRD Wins 21 Assembly Seats, Could Win 11 More

PA1005173094 Panama City LA ESTRELLA DE PANAMA in Spanish 10 May 94 p A1

[Report by Esteban Huertas G.]

[Text] Preliminary Electoral Tribunal [TE] election returns indicate that, so far, there are no clear winners in 12 of the 71 Legislative Assembly seats that were up for grabs in the 8 May elections. So far, the opposition United People Alliance has won 24 seats and the official Democratic Alliance has won 19.

According to preliminary returns, Democratic Revolutionary Party [PRD] candidates have won 21 seats in the legislature, while its allies, the Liberal Republican Party and Labor Party, won two seats and one seat, respectively. Another 12 seats are still being disputed, 11 of them between PRD and Arnulfist Party [PA] candidates.

With 68 percent of the votes counted—some 733,885 valid votes—the PA has won 12 seats; the Liberal Party has won three; the Authentic Liberal Party has won three; and the Independent Democratic Union [UDI] has won one.

The Change '94 coalition, which supported the candidacy of former Comptroller General Ruben Carles, has won 8 legislative seats—five by Nationalist Liberal Republican Movement (Molirena) candidates and three by candidates from the Civic Renewal Party.

The legislative elections also resulted in the surprising defeat of the National Renewal Movement, which, despite its costly advertising campaign, failed to win a single seat. TE projections show that even Marco Ameglio, former president of the parliament, failed to get reelected.

The Christian Democratic Party was dealt the harshest blow during the elections, winning only one legislative seat, thereby losing the relative majority obtained in the 1989 elections with 28 legislators. Ruben Blades' Papa Egoro Movement [MPE] won six seats, and the Solidarity Party [PS] won one seat.

TE President Eduardo Valdes said projections show the PRD could win 11 more seats and the PA could win one. "From that total, 11 seats might go to the PRD and one to the PA," Valdes indicated. He stated, however, that the Molirena, UDI, PS, or the MPE might win one of the 11 seats that are virtually in the hands of the PRD.

Perez Balladares Offers Arnulfists 2 Cabinet Posts

PA1005164294 Panama City Circuito RPC Radio in Spanish 1533 GMT 10 May 94

[Report by Luis Alberto Jimenez]

[Text] A few minutes ago, the virtual winner of the 8 May elections, Ernesto Perez Balladares, left the home of Mrs. Mireya Moscoso de Gruber. They gave statements to the press. They said the PRD [Democratic Revolutionary Party] had offered the Arnulfist Party two ministries. Dr. Perez Balladares also said that there are no partisan positions [espacios politicos] in his government. He also thanked Mrs. Mireya Moscoso de Gruber for welcoming him to her home.

[Begin recording] [Moscoso de Gruber] Dr. Perez Balladares visited me this morning to discuss certain matters. One of the offers he made was that of one or two

ministries in his government. I have told him that I am not the one to decide and that the party's National Executive Committee [CEN] must be approached with this offer, and whatever the party decides is what will be done. I am not the one who decides.

[Jimenez] What ministries could these be?

[Moscoso de Gruber] He only offered two ministries; I do not know which ministries. But the party has to decide.

[Jimenez] If the Arnulfist Party declares itself in opposition, then would it not be lacking in political principles if it becomes part of the government?

[Moscoso de Gruber] After 1 September, my party will definitely be in opposition. The decision must be made by the party's CEN. I am the president of the party. I do like to preside over the meetings in a democratic manner, however, and let the CEN decide. Therefore, we must wait. This must be presented at a meeting to see what happens.

[Jimenez] Sousa Lennox has been mentioned as someone to fill a ministerial post. Is he a member of the Arnulfist Party?

[Moscoso de Gruber] Yes he is. If any member of the Arnulfist Party makes a decision without previously consulting with the party, that decision will be declared unauthorized by the party.

[Jimenez] Would you accept participation in a PRD government?

[Moscoso de Gruber] No, I would not.

[Jimenez] What about other party members?

[Moscoso de Gruber] That would have to be discussed by the CEN. [end recording]

These were statements made by Mireya Moscoso de Gruber upon meeting with Perez Balladares at her home. Also in attendance at the meeting were Immigration Director Antonio Dominguez and Government and Justice Minister Jacobo Salas. According to statements by Dr. Perez Balladares, the meeting was cordial. He said they talked about the country's future and not the future of the political parties, in this case the Arnulfist Party and the PRD. Dr. Perez Balladares announced he will be visiting other candidates who ran against him in the 8 May elections in an attempt to create a consensus government.

Lewis Galindo Accepts Foreign Ministry Post

PA1105011294 Panama City Circuito RPC Television in Spanish 2300 GMT 10 May 94

[From the "RPC Television News" newscast]

[Text] Businessman Gabriel Lewis Galindo confirmed to RPC Television this afternoon that he has accepted Ernesto Perez Balladares' offer to hold the post of foreign minister beginning on 1 September. Gabriel Lewis Galindo was Panamanian ambassador to Washington in the last months of negotiations on the canal treaties and during the entire process of the ratification of the Torrijos-Carter Treaties. His actions were crucial to the ratification of the treaties. The Panamanian industrialist's business relations in the Americas, Europe, and Asia, as well as his diplomatic maneuvering ability, will be exploited by the Perez Balladares administration in its efforts to strengthen diplomatic and trade ties with all countries.

Lewis Galindo's acceptance of the Foreign Ministry post is the first confirmation of the formation of the multiparty cabinet promised by Dr. Perez Balladares during his presidential campaign.

Foreign Minister Mulino To Join Opposition

PA1005222794 Panama City LA PRENSA in Spanish 10 May 94 p 3

[Report by Jose Otero]

[Text] Foreign Minister Jose Raul Mulino said yesterday that as soon as his work in the current government is completed, he will join the political opposition of his country to monitor, together with the group led by Ruben Dario Carles, the Democratic Revolutionary Party [PRD].

Mulino said that he, as a private citizen, supported the political option Carles represented during these elections, because he believes it was the best, and he said he respects the people's decision and accepts defeat.

Mulino said: "I am one of Carles' friends. We accept defeat, but we will continue our struggle and political militancy to monitor the PRD."

Mulino formed part of the civic groups that struggled against militarism without being part of any party, although now he announced "he will become a member of one very soon," but he did not specify of which party.

Mulino said he will conclude his work at the Foreign Ministry on 1 September, when he will then become a part of his country's opposition.

Mulino praised President Guillermo Endara, saying he made possible free and honest elections that will go down in history as an example for future generations.

Editorial: Perez Balladares Must Seek Consensus

PA1005215394 Panama City LA ESTRELLA DE PANAMA in Spanish 10 May 94 p A4

[Editorial: "Perez Balladares and National Consensus"]

[Text] The civic example of absolute harmony demonstrated by the Panamanian people last Sunday, the unusually positive position assumed by the national

government of Guillermo Endara Galimany, and the clean elections sponsored by the Supreme Electoral Tribunal make it compelling for the new president of the Republic, Ernesto Perez Balladares, who was elected on that date, to strive for a national consensus, as an historic response to the popular referendum mentioned above. The Panamanians' selecting him to head the destiny of the nation for the next five years demonstrates unequivocally their great confidence in his levelheadedness and intelligence and his ability to carry out such a complex task, much desired by the citizens. Last Sunday's events and the entire electoral process, in which not a single incident occurred to mar or create a lack of confidence in the pureness of the elections, demands of the winning candidate—in this case Perez Balladares—a supremely lofty attitude, above all resentments or wounds that might have resulted from the civic confrontation that just ended. Now, only the official proclamation by the National Electoral Board is pending.

We understand perfectly well the traditional political and moral commitments acquired in the Panamanian elections. We know about the political positions that are distributed among the parties and alliances that offer their support for the victory of a person who at a given moment reaches the presidency. We believe that it is an act of justice to govern with friends and with political supporters. Perez Balladares, however, who unofficially is Panama's president- elect in view of the results of last Sunday's elections, has thus taken on one of the most significant commitments in the country. He has ceased to be an alliance candidate and has become—as he himself promised—the president of all Panamanians. The emotion of victory must not blind those who were favored by the electors. Having lost must not become a reason for bitterness on the part of those who did not obtain the people's support. The new president must face significant challenges. First, he must face a wealthy opposition, which can only be neutralized through a national consensus that will offer participation in the administrative handling of state affairs to the best men. This situation must be understood by his own party members. It must be recognized that the organization demonstrated by the Democratic Revolutionary Party in last Sunday's elections shows it has capable men who could also form part of a government team, seeking to achieve the purposes outlined in the program announced so many times by the new president.

He pledged to the Panamanian people that he would govern without hate or rancor. The bitter taste of the political confrontations must be buried in the past. The experience of revenge, which diverted the current government and which totally disrupted efforts at national reconciliation, must serve as a lesson to the new president. There is a given fact. To strive for this national consensus requires the consent of both political groups that were opponents in the bid to secure the support of the people, as well as those distinguished citizens whose participation will be sought. Thus far, the composition of the Legislative Assembly, which must begin holding sessions on 1 September, is not known. It is important that the president, no matter who or what party is involved, have the necessary capability to achieve harmony and respect their autonomy. This is the only way to promote and achieve the social reality of the programs that must be carried out by the Executive Branch. Perez Balladares must also realize the other challenge placed in his hands by the Panamanian people: implementation of the most important stages of the Torrijos-Carter Treaties. The people are aware that nobody would be better suited than a student of General Omar Torrijos to implement a contractual agreement that emerges from the very heart of the country.

There will be many other challenges that can only be implemented through national consensus. The nation needs a president who will be of all Panamanians, who will assume a genuine leadership, and who will be aware of the historic moment that he must cope with. We always have had trust in Perez Balladares' promises. Those who got on yesterday's horse to spur it and break it did not succeed. With his good sense, his levelheadedness, and above all, his absolute certainty that he was acting in the best manner, he was able to secure the support of the Panamanian people in the purest elections in our history. The country's political circumstances are different now. Our democracy has been strengthened. We dare say that the virtual president, Perez Balladares, will not let the Panamanian people down and that his fundamental objectives will be to respect liberty, free enterprise, workers' achievements, and democracy. For this, he will have to count on the support of all citizens, regardless of their color, social or economic position, or party persuasion.

Carter Confirms Pastor To Be Named U.S. Envoy

PA1005181594 Panama City LA PRENSA in Spanish 10 May 94 p 1A

[Report by Ibeth Vega G.]

[Text] Former U.S. President Jimmy Carter yesterday confirmed U.S. President Bill Clinton's plans to nominate Robert Pastor as the new U.S. ambassador to Panama. Carter said that he had met with President Clinton last week and that the President told him that he plans to nominate, to the Panamanian Government and the U.S. Senate, Pastor as the new U.S. ambassador to Panama.

Civilist sectors in Panama are against Pastor's appointment as the new ambassador. They claim the statesman associated with the U.S. Democratic Party maintained close ties with the former Panamanian military regime that was overthrown by the U.S. invasion on 20 December 1989.

Carter added that when he met with President Guillermo Endara last week Endara said he was pleased by Pastor's nomination.

If President Clinton's proposal is confirmed, Pastor will occupy the post of U.S. ambassador in Panama left vacant by former Ambassador Deane Hinton in February.

Foreign Minister on Designation of U.S. Envoy

PA1105012594 Panama City Circuito RPC Television in Spanish 2300 GMT 10 May 94

[Report by Ciro Ortega; from the "RPC Television News" newscast]

[Text] Panamanian Foreign Minister Jose Raul Mulino has said the placet for the new U.S. ambassador to Panama will be issued this week.

The foreign minister has said the advancement of diplomatic relations with the United States is vital for the transition period that will lead to the handing over of the Panama Canal during the year 2000.

Mulino has said the placet will be given to the U.S. ambassador to Panama who will replace Deane Hinton, most likely Robert Pastor.

[Begin recording] [Mulino] I think it is most important to maintain close relations with the United States during the coming five-year period. I think President-elect Perez Balladares will need that. This is a fundamental task. Once they assume the government, they will see the task involving the canal issue is huge and requires much tending; because of this, President Endara and I will evaluate this appointment on 12 May.

[Ortega] How is the transition for the Foreign Ministry to the next government progressing?

[Mulino] Yesterday, I personally called my successor, my great and good friend Gabriel Lewis Galindo, who has confirmed to me he will be the next foreign minister, to put my working team, our experience, and our cooperation at his disposal so that when he takes over the Foreign Ministry on 2 September he may routinely go to work ignoring nothing about the international negotiations we are conducting or the integration processes in which we are engaged with Colombia and Central America.

I will also give him certain recommendations, in writing, on the canal issue and on the modernization the Foreign Ministry requires, modernization we have been unable to make due to economic limitations. [end recording]

Authorities Seize 900 kg of Cocaine in Colon

PA0805180494 Panama City LA PRENSA in Spanish 7 May 94 p 2A

[Text] Approximately 900 kg of cocaine valued at $36 million were seized yesterday in the port of Coco Solo, Colon Province. The cocaine was contained in two ships, Panamanian- and Honduran-flagged vessels, Judicial Technical Police (PTJ) sources have revealed.

The drugs were seized in a joint operation conducted by the Third Prosecutor's Office in Colon, the Secretariat of Narcotics, and PTJ agents, according to sources. The operation was supervised by Prosecutor Manuel Sucaris and Narcotics Secretary Natzul Poso.

It was reported that eight people, including Panamanians and foreign nationals, were arrested in yesterday's operation. According to sources, the drugs were to be transshipped abroad. Two days ago, another 900 kg of cocaine, belonging to the Cali Cartel, were seized, and 11 people were arrested in the area of La Rivera, Pedregal Corregimiento.

Detective Idelfonso Suira, chief of criminal investigations of the PTJ, reported the shipment of drugs seized two days ago was found in a double-bottomed container, which was to be transported to Guatemala and then to the United States.

Roundup of Economic Developments

PA1005235994

[Editorial Report] The following is a compilation of reports on economic developments monitored through 10 May.

The Comptroller General's Office announced in a communique that on 5 May policemen will receive $1.477 in wage increases, which will be retroactive to 1 January. (Panama City EL SIGLO in Spanish 5 May 94 p 60)

In 1993, the Colon Free Zone's overall commercial activities totaled $8.837.3 billion and generated approximately 9 percent of the GNP. Imports during the first quarter of 1994 have totaled $1.070.8 billion, compared to $790.2 million during the same period in 1993, an increase of $280.6 million. Meanwhile, first-quarter reexport figures totaled $1.161.3 billion in 1993 and have increased to $1.283 billion this year. Reexports totaled $5.110 billion in 1993, an increase of 6 percent over the 1992 figures. Total imports in 1993 were $4.493 billion. (Panama City EL PANAMA AMERICA in Spanish 6 May 94 p B-1)

The Panamanian Government will exchange bonds for $452 million with Japanese and European financial markets. This transaction will be carried out soon in London. Planning Minister Delia Cardenas announced that the Panamanian Government is working on the final adjustments to renegotiate approximately $452 million owed to Japanese and European markets. With regard to the commercial debt, which totals $3.2 billion, Minister Cardenas said renegotiations are under way, counterproposals have been received, and the various alternatives are being studied. (Panama City Circuito RPC Television in Spanish 2300 GMT 5 May 94)

Argentina

Menem Opens Euro-Latin American Space Forum

PY0905230994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 9 May 94

[Text] Buenos Aires, 9 May (NA)—President Carlos Menem today confirmed the government's decision to transform the Falda del Carmen facilities into "Argentina's space activities center."

Menem thus stressed that the facilities where the controversial Condor-2 missile was developed and built will be used for "the production of civilian goods and services alone."

The president made these remarks in opening this morning the 2d Euro-Latin American Space Forum [II Jornadas Euro-Latinoamericanas del Espacio] at the Libertador Hotel in Buenos Aires. Representatives from European and American space agencies, research institutes, universities, and companies are attending this forum.

Representatives from Argentina, Chile, Brazil, and Mexico will lecture on the development of their space programs. Teledialing [telediccion]—the remote gathering of data, using satellites—especially for the exploitation of natural resources and environment conservation, will be among the main issues for discussion.

During the opening ceremony Menem was joined by Conrado Varotto, the National Commission for Space Activities [CNAE] chairman; European Space Agency Chairman Michael Lefevre; and Senator Jose Figueroa.

In his speech, the president emphasized "the peaceful" goals of the space projects, and noted that an Institute for Higher Space Studies [Instituto de Altos Estudios Espaciales] would be operating in Falda del Carmen, in Cordoba Province.

After emphasizing the importance of science and technology, Menem noted: "Historically, and especially over the past decades, Argentina has not been using its gray matter, and given the reduced possibilities for development existing here we, incredibly enough, became exporters of brains."

The president said: "We are proud to say that this trend has been reversed now." He then noted that space activities have been enhanced.

Menem pointed out: "The CNAE was legally established in 1991. A National Space Program [Plan Espacial Nacional] is being drawn up now, and must be completed in September. This program will establish long-term strategic planning. This planning is now possible thanks to the economic stability."

Menem noted: "In a breach of trust, I can say that one of the program's key points involves using the so-called light satellites [satelites livianos] that are able to supply a number of scientific and practical services to our territory and to third countries."

Menem said: "The Satellites SAC-B and SAC-C must be described as pioneer." He noted: "Argentina is gaining experience, and has great potential in the field of space activities."

Before delivering his speech, Menem met European Space Agency astronaut Claude Nicolier, a member of an expedition that spent 11 days in space to service the Hubble space telescope.

Interim Supreme Court President Resigns

PY0905133794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2017 GMT 6 May 94

[Excerpt] Buenos Aires, 6 May (NA)—Interim Supreme Court President Julio Nazareno, in a surprise move, has resigned. Ricardo Levene will temporarily replace him. This move threatens to prompt another crisis in the country's top court, this time it is closely linked to salary demands by the sector's employees.

Nazareno's resignation was considered today during a plenum in which only six of the court's nine members participated.

The justices named Ricardo Levene to replace Nazareno for a period of 20 days. Levene held this post until 1993 when Julio Boggiano, the previous president of the court, took over.

The decision was made known this afternoon. It has been decided "to elect a new president on 8 June at 1000."

The resignation came just a day after a meeting on 5 May between Nazareno, Guillermo Lopez, Carlos Fayt, President Carlos Menem, Economy Minister Domingo Cavallo, and Justice Minister Jorge Mairano.

The justices demanded a solution to the salary demands of judicial branch employees who have been carrying out a long term action plan.

The executive branch told them the answer must come from the sector's budget and that the only alternative would be to freeze unfilled vacancies and make available funds pertaining to employees that have not yet been named.

This alternative was confirmed on 5 May by Maiorano, who visited the Supreme Court to participate in a ceremony in which the informatics system was inaugurated.

The decision to accept Nazareno's resignation was made during a meeting in which Justices Augusto Belluscio, Santiago Petracchi, and Gustavo Bossert did not participate. [passage omitted]

Nazi Admits Involvement in World War II Massacre

PY0905183994 Buenos Aires LA PRENSA in Spanish 7 May 94 Section 1 p 3

[Excerpts] The Simon Wiesenthal Center, which conducts international searches for Nazi criminals, has asked the German courts to "reopen the case" involving former German Army Captain Erich Priebke—who was recently discovered in Argentina—in murders committed during World War II. The request to reopen the case could lead to his extradition from Argentina. Priebke's recent statement to the U.S. TV network ABC, in which he admits his involvement in the German invasion of Rome, prompted the Simon Wiesenthal Center to file this request.

Priebke, who admitted having had a hand in the killing of 330 Italians while serving in the SS, was discovered by a team of ABC reporters in San Carlos de Bariloche. A Simon Wiesenthal Center spokesman for Latin American affairs said Priebke "served in the German forces in Italy during World War II and participated in the so-called Rome Massacre." On that occasion "in response to an attack by Italian partisans, the Germans shot over 300 people." Priebke told ABC reporters that he participated in the massacre but did so "under orders." [passage omitted]

It is up to the German courts to file for the extradition of the former Nazi. The statement by the war criminal could prompt the German courts to reopen the case it will also depend on how likely the extradition will be granted.

Swastikas—the well-known symbol of the Third Reich which persecuted Jewish people in European countries invaded by Germany—appeared on the walls of stores in Once neighborhood, Buenos Aires, on 6 May. This neighborhood, some 30 blocs from downtown Buenos Aires, is where a lot of Jewish people live, although Asian immigrants like the Chinese, the Taiwanese, and the Koreans have also been settling there lately. Swastikas were also painted on the walls of two neighborhood synagogues.

Italian Courts File Extradition Request

PY1005035294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2119 GMT 9 May 94

[Excerpt] Buenos Aires, 9 May (NA)—The Italian courts today filed an extradition petition with Argentina against former Nazi officer Erich Priebke, allegedly involved in the killing of more than 300 people during World War II, who was discovered in San Carlos de Bariloche last week.

Argentine Foreign Vice Minister Fernando Petrella announced that the petition filed by the Italian courts will be "discussed immediately." Petrella, however, made it clear that the Foreign Ministry "only reviews" the petition, while it is the courts that actually "thoroughly study the issue." [passage omitted]

Judge Confirms Arrest of Nazi Officer

PY1005150494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1209 GMT 10 May 94

[Text] Buenos Aires, 10 May (NA)—Judge Leonidas Moldes, who is hearing the case of former Nazi Captain Erich Priebke, reported this morning that the latter will make a deposition before the San Carlos de Bariloche federal courts in the next few hours.

Judge Moldes confirmed that the former Nazi officer was arrested at Bariloche Clinic, which is owned by Priebke, yesterday evening. He made it clear that "so far no formal extradition request" has been filed by the Italian courts.

Patents Bill To Be 'Revamped' in Line With GATT

PY1105004594 Buenos Aires BUENOS AIRES HERALD in English 10 May 94 p 5

[Text] (NA-DYN)—The patents bill currently before the Senate is being revamped by the Foreign Ministry and the Justicialist Party bloc of senators so as to bring it into line with the GATT agreement and to make it similar to intellectual property-rights legislation being used in Brazil.

At the same time the Senate's Industry commission confirmed yesterday that Economy Minister Domingo Cavallo will be giving his view on the issue before the Commission on May 19.

Foreign Ministry officials said yesterday that the government's intention is not to send a new law to Congress—which would take even longer to be passed—but to reach an agreement with the Radical Party on a patents protection law that would fall within the framework of the GATT treaty, of which Argentina and the US are both signatories.

The government's intention is to obtain, at the least, a law that is in accordance with GATT terms and at the most, one that grants foreign pharmaceutical companies greater protection as Mexico did so as to obtain its membership in the NAFTA North American free trade agreement.

Notwithstanding the GATT treaty, the US has been carrying out bilateral talks in an effort to obtain even further benefits.

The Foreign Ministry is now advising the Party Senators on how best to modify the current bill so as to comply with international trade regulations as well as to make it as similar as possible to Brazil's laws in view of the Mercosur [Common Market of the South] southern-cone common market integration.

Some of the modifications to be included will be a transition period, already in the official text but much shorter than the 10 years contemplated by the GATT treaty.

There will also be a monopoly on imports to benefit the patent holder, except when it is imported raw materials from Mercosur member countries.

One of the pending issues which will be heatedly debated in Congress is the automatic manufacturing licences being demanded by local pharmaceutical companies in order to avoid a monopoly situation.

If the new patents law meets US pharmaceutical company demands half way as well as taking into account GATT rulings and domestic company demands, then the law could be acceptable to the local pharmaceutical companies Pablo Challu said yesterday.

He added however that the patent life should only last for ten years, and not the 20 years that is being demanded by US pharmaceutical companies.

Argentina is being heavily pressed by the US to have a patents law in place within the next 60 days, a deadline extension that was officially announced last Wednesday by the US Embassy.

Interior Minister Views Elimination of Corruption

PY1005190794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1424 GMT 10 May 94

[Text] Buenos Aires, 10 May (NA)—Interior Minister Carlos Ruckauf today asserted that if the current government wants to win the 1995 presidential elections it must "eliminate all pockets of corruption."

Ruckauf acknowledged: "Showing our meritorious accomplishments will not be enough." The minister said the government must not only corruption it must also "clearly state how—while maintaining the present economic policy—it intends to enhance growth and put provincial economies in order so that their authorities may maintain the transformations the country is undergoing."

Ruckauf played down the increased popularity of the Grand Front and other opposition parties in the past 10 April elections. He remarked that to be a valid alternative "protests are insufficient."

Ruckauf, talking on the radio, said that in the 10 April election, some sectors "thought it was important to protest," but things will be different in 1995 "because whenever there is an election for the presidency, governorship, or mayoralty, voters want to know how they will fare on the market or in life in the forthcoming months."

He underlined the support the Justicialist Party managed to maintain in Greater Buenos Aires noting that "men and women living in the most humble areas voted for the plan that wiped out hyperinflation and achieved stability" because "they know there are more jobs, which is quite noticeable among those who work rather than among those who just hang about."

Ruckauf added: "Nowhere in the world do people kill the goose that lays the golden egg, least of all when they have endured the economic setbacks Argentina has experienced." The minister concluded: "This country has registered the fastest growth in the western world over the last three years."

Diplomat Admits Relations 'Tense' Over Patents Law

PY1005155794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1326 GMT 10 May 94

[Text] Buenos Aires, 10 May (NA)—Raul Granillo Ocampo, the Argentine ambassador to the United States, has admitted that bilateral relations are tense over the Pharmaceutical Patents Law.

Granillo Ocampo pointed out: "Within the framework of good relations, Argentina is seeking a solution that considers the interests of both parties."

The ambassador to the United States, who has come to Argentina to lecture to Cordoba and Entre Rios businessmen, conceded: "There is pressure but Argentina has signed the GATT agreement, which seeks to define standards of economic relations and to guarantee fair and free trade between nations."

He explained that, by GATT standards, Argentina meets the requirements of the international community "at a minimum level." He made it clear that "if we want a special association with the United States by way of NAFTA, a special efforts will be required."

Regarding the possibility that Argentina may join NAFTA, Granillo Ocampo noted: "It is a multi-party negotiation in which we must weigh what we have to give against what we will receive in order to see if it is beneficial for us."

In an interview published in the daily EL CRONISTA COMERCIAL, Granillo Ocampo underlined that "if the Pharmaceutical Patents Law is enacted, we will have a better chance of joining NAFTA, but our incorporation will not be automatic: Nor will we be automatically excluded from it if we fail to pass the aforementioned law."

The Argentine diplomat pointed out: "President Bill Clinton is scheduled to submit a definite proposal to Congress on 1 July. One of the requirements [for joining NAFTA] will be the patents law." He made it clear that "no country meets all the requirements."

To conclude, Granillo Ocampo said: "As in any negotiation, when one reaches the end of the line, one looses interest in being a party to that agreement."

Vice Foreign Minister on Pharmaceutical Patents Law

PY0905160094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1845 GMT 8 May 94

[Text] Buenos Aires, 8 May (NA)—Today, Vice Foreign Minister Fernando Petrella warned that Argentina "cannot maintain a rigid position" regarding the draft Pharmaceutical Patents Law, at least "on the basis of the current situation." He made it clear that his evaluation is "entirely personal."

Petrella told a radio station that Brazil reached "an agreement, which has yet to be formalized, with U.S. authorities with an eye to making its position more flexible." He added: "This topic must be decided by the incoming Brazilian Government."

Regarding "concrete points," Petrella warned that "the interests of local laboratories must be taken into account as they have been operating in accordance with a modus vivendi that is permitted by the current law. The interests of the consumer have also been considered." He ratified his "confidence" that the Argentine Congress "will come up with a law that will harmonize all interests."

Referring to Argentina not being included on the list of nations to be sanctioned, Petrella stressed that the U.S. Government "made an important political gesture that reveals its good relations and rapport" with Argentina.

He said: "This is an important topic, but it is not extremely important," while emphasizing that "these excellent relations must not be impaired, especially at this time when they are based on strategic viewpoints that are much more difficult to achieve." He added: "These are small steps that Argentina can take to attenuate the situation."

The vice foreign minister stressed that our country "has a well-defined position" regarding the conflict over the continental glaciers, adding that "the idea of arbitration" has reached Chile. "From what I know and from Argentina's viewpoint, there have been no feelers regarding this new possibility," Petrella said.

Finally, regarding the sending of Argentine Border Police to the former Yugoslavia, Petrella said: "There are a number of UN demands of which Argentines can be very proud, especially the Armed Forces."

Cavallo on IMF Request To Further Reduce Spending

PY1005035494 Buenos Aires CLARIN in Spanish 9 May 94 pp 18-19

[Article by Miguel Angel Rouco]

[Excerpt] An IMF delegation which will handle the auditing of fiscal accounts will arrive in our country tomorrow with the goal of persuading the Argentine Government to substantially reduce its levels of spending.

The delegation, headed by British economist Martin Hardy, will almost entirely concentrate on persuading the economic leadership to further reduce its spending in order to achieve an increased fiscal surplus. The IMF delegates' goal is clear: Argentina must reduce its spending by at least 10 percent of the 1994 budget allocations. This is equivalent to about 1.5 percent of the GDP.

Economy Minister Domingo Cavallo has already said unofficially that it is impossible, with the current administrative structure, to further reduce spending.

The economy minister asked his team of assistants to be extremely careful and convince the IMF auditors of the fact that a budget cut similar to the one implemented in 1993 is not viable now because the entire administrative structure would be affected.

During a meeting with his closest officials, Cavallo expressed a worrisome omen: "If we implement the IMF petitions, we run the risk of throwing our entire efforts in the field of collection, public sector reform, and state streamlining overboard. We cannot reduce spending any further now. They cannot expect us to cut back on retiree, Comprehensive Medical Assistance Plan, and hospital funds." [passage omitted]

Official Denies IMF Seeks Further Cuts

PY1105030094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1811 GMT 10 May 94

[Excerpt] Buenos Aires, 10 May (NA)—Finance Secretary Ricardo Gutierrez today denied reports indicating that the IMF would ask for a 10 percent cutback in the 1994 budget to be implemented. He emphasized that the fiscal surplus targets agreed upon for the first quarter "were surpassed."

Gutierrez noted that the surplus agreed upon with the IMF "totaled $640 million, and this target was surpassed by $60 million as a $700 million surplus was achieved."

The finance secretary also believes that the IMF delegation will issue a favorable report on Argentine fiscal accounts.

Gutierrez added: "What we have done so far will not represent any problem or be deserving of any remarks from the IMF."

The finance secretary described as "entirely inaccurate" the reports on IMF concerns over the first quarter's fiscal results. He confirmed that this "is entirely mistaken information."

Gutierrez emphasized that "the first quarter's targets were surpassed."

The finance secretary said the IMF delegation would meet on 12 or 13 May with the financial team. In addition to Gutierrez, the financial team also includes Economic Programming Secretary Juan Llach and Public Revenues Secretary Carlos Tacchi.

Gutierrez made these remarks after an economic team meeting at the Economy Ministry today. [passage omitted]

'Massive' Trade Deficit Produced in Jan, Feb

PY0705013294 Buenos Aires BUENOS AIRES HERALD in English 6 May 94 p 1

[Text] (DYN)—The balance of trade in the first two months this year produced a massive deficit of 1.11 billion dollars, an almost ninefold increase over the same period last year, the INDEC census bureau reported yesterday.

Exports during the period totalled 1.89 billion dollars, a 4.4 percent increase over the same period last year. Imports however grew by 55.2 percent and totalled just over three billion dollars.

The trade imbalance with the United States shot up by 132.3 percent while the only surplus of note was achieved in trade with the Netherlands (117 million dollars).

Although there were small surpluses on trade with individual countries, in most cases these didn't exceed 10 million dollars as was the case with Bolivia, Colombia, Paraguay, Peru, Venezuela, Denmark, Greece, Portugal and China.

Trade with the Mercosur [Common Market of the South] southern-cone common market went from a 5.1-million-dollar surplus in January-February 1993 to a deficit 152.8 million dollars in the same period this year. Trade with NAFTA followed the same trend and shot up 135 percent to 638 million dollars.

Exports of primary products continued to decline in the first two months, falling 19.6 percent with respect to the same period last year, although exports of value-added agricultural goods grew by 7.1 percent and industrial goods by 27.6 percent.

Percentage increases in imports by product grouping were 114.7 for capital goods and 38.6 percent for their spare parts and 30.5 percent for consumer goods, almost five times the growth rate of the gross domestic product.

Capital goods accounted for 40 percent of imports in January and 47.4 percent in February while consumer goods accounted for 18.7 percent of imports in the first month of the year and 15.6 percent in the second. Imports of semi-processed goods also increased by 34.4 percent as did buses, up 37.2 percent and fuels up by 178.4 percent.

Most of the imported goods, or some 838.2 million dollars worth, came from the United States although Argentina's sales there were only a quarter of this. The deficit with Brazil, at 175 million dollars, was up by a whopping 501.4 percent.

Cavallo Downplays Deficit, Defends Job Creation

PY0905135794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2356 GMT 6 May 94

[Excerpts] Buenos Aires, 6 May (NA)—Economy Minister Domingo Cavallo stated on 6 May that the trade deficit "does not constitute a problem" because it is caused by the importation of capital goods, which produce "more investments." The economy minister stressed: "The increase in imports does not constitute a problem if it helps to increase our productive capacity."

Cavallo conceded that the unemployment number is "worrisome," while snapping out that "1.5 million new jobs have been created over the last four years." He argued: "During October 1989, there were 11.5 million people employed. This figure increased to 12.5 million in October 1993 while in the last six years it had grown by only 600,000." [passage omitted]

The minister said one should wonder "why more new jobs are not being created." He said many small- and medium-scale entrepreneurs "are afraid of the law on accidents on the shop-floor and current labor laws."

This prompted him to reiterate his request for the enactment of the Labor Flexibility Law because "we must have more realistic labor laws, at least for the Pymes [sma!l- and medium-scale enterprises]."

To conclude, Cavallo pointed out that over the last three years the country has grown "25 percent," which means Argentina "has recorded the third largest growth rate in the world." [passage omitted]

Coast Guard Intercepts Foreign Fishing Trawlers

PY0905231194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1515 GMT 9 May 94

[Text] Buenos Aires, 9 May (NA)—A Coast Guard cutter has intercepted and captured two trawlers flying foreign flags. The trawlers were fishing illegally in the Argentine exclusive economic zone, without the appropriate authorization.

The Coast Guard cutter "Mantilla" yesterday discovered a foreign trawler fishing near the port of Quequen. Upon boarding the trawler, Coast Guard personnel confirmed the existence of 79 metric tons of squid, hake, and codfish in the trawler's hold and processing line.

Shortly thereafter, the same Coast Guard cutter discovered another trawler that had already caught 146 metric tons of squid and rays.

Both trawlers were captured for violating the National Fishing Law, and were escorted to the port of Quequen where the appropriate proceedings were conducted.

Nuclear Power Plant Construction Delay Examined

PY0605212194 Buenos Aires LA PRENSA in Spanish 6 May 94 Section 1 p 6

[Text] National Commission for Atomic Energy (CNEA) sources have estimated that the Atucha-2 nuclear power plant, which has been under construction since 1982, will become fully operational in 1997, and not next year, as CNEA Chairman Manuel Mondino announced recently in a news conference.

The Atucha-2 reactor was forged in Japan and welded in Germany. The 1,000 metric ton reactor was manufactured of fine steel and a manganese-molybdenum-nickel alloy. The 14-meter high reactor has been stored for seven years in a warehouse 200 meters from the area where it will be finally installed.

During German Research and Technology Minister Paul Krueger's visit to Atucha-2 on 4 May, many spiderwebs on the reactor's support base were noticed. A heart crossed by an arrow, drawn with chalk on the reactor's metallic structure, was also noticed. The CNEA sources admitted that "no date has been set for the installation" of the reactor. CNEA sources involved in the project's management emphasized that the engine room and the engineering work have nearly been completed, but admitted that the assembly stage is stuck. Atucha-2's estimated cost totals about $3 billion.

The sources said that the project, which is under construction a few meters from the Atucha-1 nuclear power plant near the Parana de las Palmas River in Buenos Aires Province, has been delayed "considerably." The sources estimated this delay at "four to five years." In the sources' opinion, Atucha-2's construction problems arose from the Malvinas war, when the international loans that had been agreed for its financing were discontinued, and later from budget constraints and the hyperinflation of 1989.

The sources said that Atucha-2 "was a result of the maximum use of Atucha-1." The sources explained that the new reactor "is 20 percent larger" than Atucha-1, but will produce "more than double the energy of Atucha-1." While Atucha-1 has an output of 350 megawatts, using natural uranium and heavy water with 233 fuel elements, Atucha-2 will use the same system but will produce 745 megawatts with 451 fuel elements.

Bolivia

President: Generate Drug Enforcement Ideas Locally

PY1005174494 Santa Cruz EL MUNDO in Spanish 29 Apr 94 p 2

[Text] La Paz, 28 Apr (AFP)—On Thursday, President Gonzalo Sanchez de Losada spoke of the danger of "narcoguerrilla" and powerful drug cartels like those of Colombia developing in Bolivia if a general drug enforcement policy is not quickly defined.

Sanchez de Lozada said this new policy, which he will present to Congress next August, must not be imposed from abroad. He spoke to a local newspaper, alluding to the problems created in Bolivia by U.S. pressure to radicalize drug enforcement and to eradicate coca plantations in El Chapare, the largest cocaine raw material producing zone in the world. The chief of state said: "Trafficking is a very serious problem for all sectors of society and it affects Bolivian relations with the rest of the world."

The president said he was worried about the lack of a consistent drug enforcement strategy. He stated that most of the coca produced in El Chapare—approximately 60,000 tonnes per year—ends up in drug production.

"Nobody chews coca in El Chapare; coca produced in Yungas region is taken to El Chapare, and it all goes to produce drugs. The atmosphere in the region favors the establishment of drug cartels or narcoguerrillas," Sanchez de Lozada said.

Regarding the policy being prepared by his administration, Sanchez de Lozada mentioned the creation of a National Drug Enforcement Council presided by Foreign Minister Antonio Aranibar and comprising Justice Minister Jorge Blattman, Sustainable Development Minister Guillermo Justiniano, and Minister of Government German Quiroga.

This council must find solutions in Bolivia and not solutions imposed from abroad, the president said, adding that this reorganization includes defining a policy toward the United States. "This is a far too important for them (the United States) because after many years they have recognized the need for shared responsibility. It is our obligation to generate a proposal that will really solve this problem," Sanchez de Lozada said.

Human Rights Committee Receives Threats

PY1005165994 Madrid EFE in Spanish 1824 GMT 6 May 94

[Text] La Paz, 6 May (EFE)—Members of a commission of government and opposition deputies created to investigate human right violations have received threats. Concern over the threats increased following the suspicion that a group of policemen and a prosecutor were responsible for torturing several individuals.

Ivan Miranda, Press Workers Federation secretary general, said today: "Government and other public office officials are creating a climate of terror among press workers."

The deputies denounced a police structure operating outside of the law.

Jorge Justiniano, legislator and leader of Democratic Socialism Alternative (ASD), has reported "a repressive police superstructure that puts everyone in a dangerous state of juridical insecurity."

Other members of the commission, including ruling party Deputy Luis Eduardo Siles and Ramiro Barrenechea of the indigenous movement Eje Pachacuti, said they have received phone threats.

Barrenechea went even further. He said one third of all legislators are being spied on and persecuted by members of state security organs. Interior Minister German Quiroga sharply rejected the accusation characterizing it as "irresponsible."

Commission members recently questioned more than a dozen people who had been arrested on charges of drug trafficking or terrorism. They all said they had been illegally arrested, interrogated, and tortured in alleged clandestine police centers.

They agreed that prosecutor Jose Nemtala was responsible for their alleged illegal arrests and torture.

Nemtala, a drug trafficking case prosecutor assigned to the Special Police Investigation Corp (CEIP), testified before the congressional commission on 5 May. He denied all charges against him by individuals indicted on charges of trafficking or terrorism.

Nemtala did recognize having acted illegally when he arrested journalist Judith Munoz a few days ago. Her release was ordered without charges several days after Nemtala ordered her arrest without court permission to interrogate her on her alleged links with terrorists and, specifically, on the murder of two U.S. members of the Mormon Church.

Nemtala said he ordered the arrest based on indications of her alleged responsibility mentioned in a report produced by the FBI.

Foreign Minister Explains European Trip

PY1005150194 La Paz LA RAZON in Spanish 3 May 94 p A7

[Text] European cooperation will be reduced, but the reduction will be minimal thanks to the endeavors of a Bolivian mission headed by Foreign Minister Antonio Aranibar. The trip lasted 15 days and included key visits to Belgium, Germany, Spain, and the seat of the EU.

The foreign minister returned at 0600 on 2 May accompanied by International Relations Secretary Jaime Aparicio. He stressed that "the trip sought to minimize the reduction of cooperation that Bolivia receives from European countries. We believe we achieved that objective."

To emphasize the objectives achieved, the foreign minister mentioned the importance of a $31-million cooperation agreement that will be signed this year with the German Government.

He also announced that several contracts will soon be signed with the three communities that make up the Kingdom of Belgium. He said a Belgian mission will arrive in June to evaluate the implementation of the agreements reached by the 1992 joint commission and to make any necessary adjustments, but always "with the political desire to strengthen bilateral cooperation."

Negotiations with representatives of the EU regarding this year's cooperation are now concluded and the agreement will be signed in La Paz at the end of May. The most senior members of the EU commission, including Vice President Manuel Marin, will visit for this occasion.

Aranibar said European countries have projected a substantial reduction in their aid to poor countries due to their financial problems and to the ever-increasing need for cooperation with East European countries.

To palliate this reduction, the Bolivian diplomatic mission submitted a report on the state of cooperation and the benefit of cooperation programs for the country. It also highlights the implementation of government projects for change—including the Popular Participation Program, educational reform, and capitalization.

The official Bolivian mission began its trip on 15 April in Brussels, the capital of Belgium, with meetings with government authorities and with representative of the EU, which is based in that city.

The foreign minister explained that new ties have been "knotted" with the French, Flemish, and Brussels communities, which make up the Federal Belgian Government and which have certain specific responsibilities for sectors pertaining to international cooperation and relations.

The Bolivian mission also extended President Gonzalo Sanchez de Lozada's invitation to the Belgian king to visit the country. "This invitation has been accepted by the Belgian king. His visit will most probably be made in 1995," Aranibar said.

The mission visited Germany between 24 and 27 April. A schedule has been established to carry out the preliminary steps to prepare the meeting of the joint commission that will be held before the end of the year in Germany.

A similar agreement was reached with the Spanish Government in which a schedule was prepared for meetings during the course of this year before the meeting of the joint commission.

The foreign minister explained that this trip served to promote the process of capitalizing state enterprises, in other words, to attract foreign investment to the country.

The construction of the gas pipeline to Brazil and the port of Ilo, two very important projects, were also explained to European investors.

The port of Ilo project attracted the interest of the enterprise that runs Hamburg Port and a German consulting firm and they will most probably carry out an overall study to determine the real possibilities of this port, which is very strategic for Bolivia.

Brazil

Cuba's Castro To Make Stopover in Salvador 11 May

PY1105025894 Madrid EFE in Spanish 0005 GMT 11 May 94

[Text] Salvador, 10 May (EFE)—Government officials reported here today that Cuban Leader Fidel Castro will arrive in the Brazilian city of Salvador, Bahia State, on 11 May for a 12-hour stopover on his return trip from South Africa.

Castro today attended the inauguration of Nelson Mandela as the first black president in the history of South Africa. Castro will arrive in Salvador at noon on 11 May.

Spokesmen for the Bahia State Government have said that Bahia Governor Antonio Imbassahy will receive the Cuban president at the Salvador air base.

The sources added that Castro will stay in Bahia for 12 hours.

They noted that hey have no information on Castro's schedule for his brief visit to Salvador.

The Cuban leader was quite impressed by Salvador, the first capital of Brazil, when in June 1993 he attended here the "summit" of Ibero-American heads of state and government.

Mandela Notes Brazilian Help in Defeating Apartheid

PY1005210794 Rio de Janeiro O GLOBO in Portuguese 10 May 94 p 10

[From the "Swann" column by Ricardo Boechat: "Brothers"]

[Text] During a dinner he hosted yesterday for members of foreign delegations who will be attending his inauguration, South African President Nelson Mandela conferred for a long time with Brazilian Foreign Minister Celso Amorim.

Among all the foreign dignitaries in attendance, Mandela conferred for the longest time with Amorim.

Conveying thanks, Mandela said: Brazilian help was decisive in our defeat of apartheid.

Minister: Police Strike Threatens Public Order

PY1105020094 Rio de Janeiro Rede Globo Television in Portuguese 2259 GMT 10 May 94

[Address to the nation by Justice Minister Alexandre Dupeyrat; place not given—live]

[Text] As you all know, several public service sectors have been demanding salary increases over the last few months. The government admits that as a whole public employees receive low salaries, as do most Brazilian earners of salaries. Aware of this situation, the government has been implementing economic and financial reforms that will soon allow the country to resume development and, above all, improve the standard of living of workers in general.

Despite government efforts, however, some believe they can coerce the federal executive branch into granting special favors to certain sectors of public employees. Within this framework some sectors of the Federal Police, dissatisfied with their current salaries, began a strike many weeks ago. This strike has been hindering activities linked to public security, which are essential for normal national life, and have been generating violent actions against the public and against public assets. These sectors have been doing all this in an attempt to intimidate the federal government and exert pressure on it.

The government will not allow public order to be threatened by those who have the duty to preserve it. It will not allow government assets to be unduly used or raided. It will not allow essential public services to be discontinued. Complying with the obligations that the Constitution and the laws impose on it, the executive branch will adopt all measures needed to maintain public order and preserve public security and peace.

Federal Police Strike 'May Get Out of Control'

PY0905131794 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 May 94

[Text] Paulo Sampaio, vice president of the Brasilia Federal Policemen Union, fears the Federal Police strike may get out of control unless the government meets the policemen demands. The institution has been on strike for 50 days.

Federal policemen countrywide want salaries equal to those of the Brasilia civil police. The difference between the salaries of the two institutions surpasses 200 percent.

Federal Police Director Wilson Romao has asserted that the government will provide the union leaders with a proposal today.

Franco Calls Meeting To Discuss Police Strike

PY1105013594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 10 May 94

[Excerpts] Federal Police, PF, agents—who have been on strike for more than one month—have closed the PF offices in three states. Even passport issuance has been suspended.

In Salvador, Bahia State, the gates to the PF office were closed all day today. No one could enter the building. This ballet dancer should have left for a tour of Germany today, but she was unable to get a passport despite having insisted very much on the need to have it.

In Belem, Para State, the gate opening to the patio of the PF office was also closed. The policemen cordoned off the building and did not allow anyone in, not even the PF superintendent and the PF inspectors. Nothing functioned here today.

In Rio de Janeiro, the PF central office at Maua Square in the downtown area remained closed. The passport issuance department also remained closed.

In Sao Paulo, some PF agents demonstrated in front of the PF headquarters. A large number of people became angry at finding the doors to the passport issuance department closed.

The PF agents suspended their activities entirely when President Itamar Franco reported that he will not meet their demands. The police inspectors also decided to suspend passport issuance.

At the Guarulhos International Airport in Great Sao Paulo, only two PF inspectors are controlling the passengers' luggage and passports.

Some 80 landing and takeoff operations are scheduled for today. The situation has been calm all day long, but the movement will increase later on tonight, when there will be flights every 15 minutes.

[Begin recording] [Unidentified reporter] What sort of activities are hindered by this strike?

[Lauro Trapp, president of the PF Agents Union] Mainly the activities in the areas of passports, registration of foreigners, and renewal of permanent residence permits. Airport supervision has been entirely abandoned. [end recording]

President Franco has summoned a meeting to discuss the PF situation. The government has considered calling on the Army to ensure free access to the PF facilities. [passage omitted]

It was decided during the two-hour meeting that the justice minister will address the nation to explain the PF situation. As an intervention has not been announced, the demonstrators have already left the PF central headquarters here in Brasilia.

Minister Announces Further URV Conversion Rules

PY1005134294 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 94

[Excerpts] Finance Minister Rubens Ricupero yesterday reported that by mid-May all public utility rates will be converted into URV's [Real Value Units] and that the conversion of insurance policies, mutual funds, and farming loans will be defined by the end of May.

The government promises to announce the monetary and exchange policy rules on 1 June. As of 1 July, there will be 15 days to change real cruzeiros for reals at banks. Bank checking and savings accounts, financial applications like commodities and mutual investment funds will be converted to URV's automatically based on the 1 July URV rate. [passage omitted]

Throughout those 15 days banks will be authorized to remain open one more hour per day just to exchange real cruzeiro notes for reals. The Central Bank will release 1.9 billion real notes and nearly 800 million real coins.

Army Blasts 'Pointless' Sanction Against Doctor

PY1005013694 Rio de Janeiro O GLOBO in Portuguese 7 May 94 p 8

[Text] Brasilia—In a communique issued yesterday, the Army Social Communications Center (Cecomsex) characterized as "politically-ideologically oriented, Nazi-Fascist, and clearly illegal and pointless" a decision made by the Rio de Janeiro State Regional Medical Council [CREMERJ] against General Ricardo Agnese Fayad of the Army Medical Corps. On 5 May CREMERJ canceled Fayad's medical license on charges of having supervised the torture of political prisoners during the military regime. Fayad is currently serving as the Army's deputy health director.

The communique says: "The Brazilian Army strongly rejects any innuendo concerning the behavior of its members when the appropriate legal procedures have not been followed." It adds that Fayad, whom President Itamar Franco promoted to brigadier general on 31 March, "has an outstanding record of services rendered to the Army and to the nation, both as a physician and as an officer."

Fayad was charged with having worked for the DOI-CODI [Internal Operations Department-Internal Defense Operations Center] at the then 1st Army in the Tijuca district in Rio de Janeiro, where he allegedly worked with Lieutenant Amilcar Lobo—a psychiatrist who had his license canceled by CREMERJ in 1988—in evaluating the physical resistance of torture victims and in providing guidance to torturers.

The Army communique, which is signed by Cecomsex Chief General Gilberto Serra, adds that pursuant to Law 5526 of 1968, military physicians cannot be held accountable before regional medical councils for the technical-professional duties they may be required to

perform as servicemen. Besides, the communique adds, the amnesty law has rendered any excess that either side may have committed unpunishable.

PFL Designs 'Secret,' Alternate Electoral Strategy

PY1005032494 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 May 94 p 1

[Text] Dissatisfied with the treatment it has received from the PSDB [Brazilian Social Democracy Party] and with Fernando Henrique Cardoso's drop in popularity, the PFL [Liberal Front Party] has already begun to secretly design an alternative strategy. The party will set a deadline for Cardoso. If the candidate does not "take off," the party will try to sponsor the candidacy of former President Jose Sarney, who would be running for the PMDB [Brazilian Democratic Movement Party].

Sarney believes that if the PMDB chooses Orestes Quercia it will be committing "electoral suicide." After the last Datafolha poll on 6 May—which showed that Sarney's popularity was almost at the same level of that of Cardoso—Sarney changed his routine as ex-president into that of a candidate on campaign.

There is an atmosphere of rebellion within the PFL. Antonio Carlos Magalhaes believes Cardoso has thus far "played badly" and "must begin talking about starvation and unemployment." The PSDB leadership is betting on Cardoso's recovery. This week he will begin touring the country.

PFL Government Program 'Pioneering, Innovative'

PY1005032694 Rio de Janeiro O GLOBO in Portuguese 7 May 94 p 4

[Commentary by Marcio Moreira Alves]

[Text] The idea that only leftists demand the right to be heard about the programs and actions of their parties is a wrongful prejudice that is shared by journalists, intellectuals, and some politicians. Centrist and rightist politicians and voters also want to be heard.

The PFL [Liberal Front Party], whose leadership has been pressured because of the alliance with the PSDB [Brazilian Social Democracy Party], could find an exhaust valve in Deputy Gustavo Krause's "Principles and Main Targets for a Program of Government," a study that the deputy has coordinated for several months. The document, which was drawn up by a commission made up of Daniel Dantas, Mauro Salles, Nilton Molina, Paulo Guedes, Roberto Procopio Lima Netto, and Thomaz Pompeu Magalhaes, was submitted to Jorge Bornhausen on 4 May, and will be released to the 3,000 party executive boards, 18,000 party councilmen, and to the deputies, senators, and governors in order to listen to suggestions and to introduce changes into it.

The 83-page PFL document is as thick as the 112-page PT [Workers Party] report. The main difference is that it attaches much more importance to economic and financial problems, and that it proposes more concrete solutions, especially in those fields. This emphasis has been caused, first, by the fact that the economy has preponderance over politics in a country that has been plunged into chronic superinflation; and second by the number of economists on the commission, beginning with the coordinator.

The study identifies five phases of the crisis: the political crisis, with the operational difficulties of democracy and inefficiency of the state; the currency devaluation crisis; the misery and starvation crisis; the ethical crisis; and the crisis of confidence. The study says: "Even though these are different phases, the fate is the same: an impasse. The political sector has proven to be extraordinarily incapable of creating a minimum consensus in the search for a solution to the impasse. Everyone has opposed everyone in this search."

The principles of a political alliance and of a joint program of government "should be: A) the reform of the political system; B) the reform of the state, which should be politically strong and managerially efficient; and C) a development pattern based on: the reorganization of the economy and the expansion of the market, which should become increasingly global, competitive, and specialized; on the promotion of human rights; on the preservation of natural resources; and on increasingly expeditious and creative managerial standards, both for the public and private sectors."

Economic stability is a precondition that the PFL sets before anything else. The study says that "no income-generating sector, including the state, is powerful enough to curb inflation. The fight against inflation is fought by the entire nation."

In the operational part—in addition to the well-known position favoring an independent, strong Central Bank that preserves the currency; an end to monopolies; an end to discrimination against foreign capital; privatization with strong participation by social funds; and a smaller state with the implementation of a new federal pact—the program raises an innovative proposal: the reconciliation of the debts and credits that the Union and the state and municipal governments are demanding from one another, in a Credit Clearing Chamber that might operate through National Social Treasury Bonds (Osins). Such bonds could also be used as currency for privatizations. The document also makes interesting proposals for fiscal reform, advocating an end to the revenue allocations provided for by the Constitution. The proposal to adopt a single 10 percent income tax proves that the document is ideologically based on Reaganism.

There are also encouraging positions on public security, science and technology, and regional policies for the Amazonas and for the northeastern region. Summarizing, the PFL study is serious and is worth reading. It is

actually a pioneering, innovative effort for conservative parties, a document that seeks to compete with the ideas of the leftist parties.

Workers Party Position on Foreign Debt Outlined

PY1005211494 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 May 94 p 1-5

["Excerpts" of "exclusive" interview with Aloizio Mercadante, Workers Party, PT, deputy for Sao Paulo, by unidentified FOLHA reporter on 8 May; place not given]

[Text] [Folha] Brazil has just concluded an agreement over a $49 billion portion of its $135.2 billion foreign debt. PT candidate Lula has said that he wants to revise the agreement. How would a prospective PT government address the Brazilian foreign debt issue?

[Mercadante] We are not planning to begin the government with any unilateral measure, but the PT believes that the debt remains a major foreign policy issue.

First, the guarantees that the agreement demanded from Brazil are totally inapprop.iate. The cost of obtaining the reserves ($2.5 billion) for guaranteeing the accord was tremendous for public finances. The guarantees are absolutely unacceptable.

It was an agreement made by a weak, dismantled government that had no political support. We cannot allow that instead of Brazil managing its debt, the debt should manage Brazil. This will not happen with our government.

[FOLHA] The debt agreement that was negotiated is better than the agreement signed by Mexico and Argentina.

[Mercadante] In those cases the countries received money from the International Monetary Fund to finance their guarantees, something that did not happen with Brazil. The fact that the economic plan was not ready, and that the IMF refused to provide the funds, proves that the agreement was hastily concluded. Why wasn't it possible to wait two more months after 11 years of negotiations?

[FOLHA] What will be the party position toward foreign investment in Brazil in areas like the stock exchange? Will that money be considered speculation capital?

[Mercadante] We want development to promote our massive consumer market, and to this end we need investment, foreign investment. We want to attract that money, and stock markets are mechanisms for attracting it. Yet we have to see that the money is used for economic growth, creating long-range financing funds. We must be competent to attract that money. Otherwise, it will end up going somewhere else.

[FOLHA] Isn't there any bias over the money that enters or leaves the stock market?

[Mercadante] Not at all. What we have been unable to do is to transform the capital inflow in productive investment. We will not solve the problems by either closing the markets or rejecting the money. Our economy must remain open, but we should also reform the financial system in order to attract productive investment.

Bahia PSDB Decides To Support Lula's Candidacy

PY1005224294 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 May 94 Section 1 p 6

[Article by Felipe Farias]

[Excerpt] The Bahia State branch of the Brazilian Social Democracy Party [PSDB] has decided to support Workers Party presidential candidate Luis Inacio Lula da Silva.

The decision was made during the 8 May convention that officially nominated former Minister Jutahy Magalhaes, Jr., as the party's gubernatorial candidate for Bahia, Deputy Sergio Gaudenzi as vice gubernatorial candidate, and Waldir Pires as candidate for the Senate.

The position of the Bahia branch of the PSDB is deemed irreversible. Jutahy Magalhaes, Jr. said: "The decision has been made. Everywhere I go I say that my presidential candidate is Lula. We have already reported our decision to the party and to Fernando Henrique Cardoso." [passage omitted]

Amazonas Fish Trade Used To Conceal Trafficking

PY1005221594 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 May 94 Section 3 p 1

[From the FOLHA bureau in Manaus, Amazonas State]

[Text] The Amazonas State Federal Police [PF] believe that the illegal trade in fish between Brazil and Colombia is concealing the international cocaine trafficking activities of the Leticia cartel.

According to Police Inspector Mauro Sposito, superintendent of the Amazonas State PF, the traffickers use fish to smuggle the drugs.

Sposito said that it has been learned that cocaine trafficking from Colombia to the United States is controlled by two Colombian brothers known as Evaristo and Henri. They own two fish packing plants that are used in the laundering of drug trafficking money.

A supervisor at the Brazilian Institute for the Environment and Renewable Natural Resources, who did not want to identify himself, suspects that the Colombian boats that come to Brazil to fetch fish are loaded with cocaine.

Chile

Cuban Foreign Minister To Be Invited To Visit

PY1005142694 Madrid EFE in Spanish 1941 GMT 9 May 94

[Text] Santiago, 9 May (EFE)—Foreign Ministry Under Secretary Jose Miguel Insulza reported today that this week the Chilean Government will extend an official invitation to Cuban Foreign Minister Roberto Robaina to visit Santiago.

He said Robaina's visit will be part of a tour that the Cuban foreign minister will make of Southern Cone countries in the next few months, adding that the invitation "entails nothing special" within the relations between the two nations.

Chile and Cuba broke diplomatic relations in 1973. Consular-level relations were reestablished in 1990 at the end of the military regime of General Augusto Pinochet (1973-1990, following the election of Patricio Aylwin (1990-1994) as Chilean president).

Insulza said the Chilean Government considers an exchange of opinions with the Cuban foreign minister on the Cuban situation and the political situation in the hemisphere will be "very useful."

He added that there is no specific agenda for Robaina's visit, but he emphasized, among other topics, the commercial blockade and the sidelining of Cuba from the inter-American system, a situation that has impeded official contacts with the Caribbean country, [would be discussed].

Other sources reported that the agenda will also include the signing of a bilateral cooperation agreement that Chilean officials announced last week, when Chilean Foreign Minister Carlos Figueroa reiterated that the reestablishment of diplomatic relations is not a short-term objective of the Chilean Government.

Concerning relations, Insulza said that even though some events in Cuba—like the dialogue with exiles and the most recent economic measures—are regarded as positive, the political regime continues "to pose substantive obstacles" to the reestablishment of relations.

"We have no diplomatic relations with Cuba, and the decision to reestablish them should be made by the president (Eduardo Frei)," Insulza said.

He added that the Chilean foreign policy "seeks to maintain relations with all countries," but this calls for "a political evaluation," because there must be a "consensus" among all sectors "with due consideration for the interests of the nation."

National Renewal President Criticizes Government

PY1005125294 Madrid EFE in Spanish 1905 GMT 8 May 94

[Text] Santiago, 8 May (EFE)—The National Renewal, the main rightist party in Chile, this weekend hardened its position on the government of President Eduardo Frei. National Renewal President Andres Allamand accused him of being "ambiguous" and "lacking coherence" in a harsh speech to mark the seventh anniversary of the party, which is considered the most moderate of the Chilean right. Allamand also criticized Interior Minister German Correa.

Allamand said the current administration, which was inaugurated on 11 March, is "dragging its feet." He said it lacks coherence, as reflected in the change of priorities of the announced policies in which institutional reforms have overtaken social reforms.

He said the government has not sent Congress any legal initiatives for solving the problems of poverty, education, and health.

He called on Frei to take "clear and personal" command. He added that those "in charge" are the leaders of the political parties of the government coalition which comprises the Christian Democrats, the Socialists, and the Social Democrats.

Allamand said the call asking the opposition to play a role is incoherent, because the interior minister [German Correa] made "unfortunate comments," saying that the charges of corruption by the opposition stain the Chilean image abroad.

In a harsh attack on Correa, who has become the target of the criticism of the right, Allamand recalled that the majority of Correa's Socialist friends in Spain are either "detained, at large, or writing their resignations."

He added that attitudes like that of Minister Correa in Chile open "the doors to generalized corruption"—just like in Spain.

Allamand called on his party to free itself from the past and to preserve the unity of the "Union for Chile" rightist alliance, which also includes the Independent Democratic Union and the Center-Center Union.

Allamand offered his party's help to the government in solving the problems of poverty, health, and education but discarded any support for moves that seek "to destroy the basis of the institutions."

The government is studying a package of bills that it will send to Congress that seek to eliminate from the Constitution—which was approved by the military regime of General Augusto Pinochet—what has been called "the authoritarian remnants of the system."

These remnants include a clause that prevent the commanders of the Armed Forces from being removed, a

clause that appoints senators without elections, and a clause to perpetuate the proportional representation electoral system.

Colombia

Judge Defends Ruling on Personal Drug Consumption

PA1005224294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 May 94

[Interview with Constitutional Court Justice Carlos Gaviria Diaz by program director Dario Arizmendi; place not given; from the "Caracol's 0600 to 0900" newscast—live]

[Excerpts] [Arizmendi] Dr. Carlos Gaviria Diaz is the judge who proposed the Constitutional Court's ruling lifting penalties on the consumption of personal doses of certain drugs. [passage omitted] Good morning, Dr. Gaviria Diaz.

[Gaviria Diaz] Good morning, Dario.

[Arizmendi] What do you think of the controversy unleashed in the country and the witch hunt that has apparently begun against certain members of the Constitutional Court? This witch hunt is apparently against the judges who studied two articles of the law having to do with lifting penalties on the consumption of personal doses of certain types of drugs?

[Gaviria Diaz] Dario, you have clearly said that it is a true witch hunt. Actually, the most unfortunate thing about this is the fact that the mass of opinion is entirely emotional; that is, it does not really understand the scope of the ruling or is not even familiar with the ruling. Actually, this mass of opinion is jeopardizing the Constitutional Court, specifically the judges who approved lifting penalties. It makes us targets of very emotional reaction from the most fanatical groups.

It is surprising that this type of reaction was begun by the president of the Republic and that the candidates—particularly those who have the best options for winning the Presidency of the Republic—are emulating this radical prohibition in order to curry public favor. Thus, I am very surprised about this reaction, but not because I did not think such an important ruling would entail challengers in the country. I am surprised by the sources of these challenges and what they are doing. They are encouraging the most destructive, emotional, fanatical, and dangerous reactions.

[Arizmendi] Dr. Gaviria Diaz, in addition to the issues broached by the president of the Republic and by some candidates, the most outstanding aspect just a few hours following the announcement of the Constitutional Court's ruling was the statements made by some judges who voted against the ruling. They openly criticized the ruling, and they even encouraged the public to do so.

[Gaviria Diaz] I do not want to adopt the same attitude they did. I deeply respect their points of view, which are different from ours, because everyone is entitled to his own opinion. However, I do regret they do not have that feeling of cohesion with the court. The rules of the game were observed, and once the ruling is approved the ruling belongs to the entire court and not just to some justices.

[Arizmendi] Dr. Gaviria Diaz, when will the entire ruling be announced?

[Gaviria Diaz] The entire ruling will be announced next week, when Court President Jorge Arango returns from President Mandela's inauguration.

[Arizmendi] As far as you know—because you are the author of the proposal—will this ruling take into consideration certain restrictions as the president of the Republic respectfully suggested when he delivered a radio message before knowing the full text of the ruling?

[Gaviria Diaz] There is a total lack of knowledge of what the mission of the court is, and I want to be very clear about this: People are acting as if the court had arbitrarily decided to lift penalties on drug consumption, as if we were acting as legislators, or deciding on something that simply pleased us. That is not the mission of the court. The mission of the court is to compare and decide if the contents of a law clash or not with the Constitution. In the event the court determines these contents clash with the Constitution, then the court is obliged to withdraw it, regardless of national or international reaction.

In the second place, it is being said that now children and pregnant women are going to be using drugs, that drugs will be used in schools, and so forth. Dario, it is legal to drink liquor in Colombia, but I ask you: Is liquor being consumed in the schools? It is legal to smoke tobacco in Colombia, but are people smoking in church? With this, I am clearly saying that the court does not have to go into these details. The ruling simply makes general statements to this effect, but police regulations and other institutional regulations will restrict and control the consumption of drugs, just as it is does with the consumption of alcohol and tobacco. [passage omitted]

Court Decision Opposed by 85 Percent

PA1005145194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 May 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Eighty-five percent of 1,278 people polled by Caracol Network over the weekend said they reject a decriminalization of personal doses of drugs. Barely 15 percent agreed with Thursday's ruling by the Constitutional Court. Some 50 percent of the 15 percent who agreed with the ruling added that, although they support the decision, personal drug doses should be properly regulated; 25 percent said it was good to publicly approve drug use; 16.7 percent said it was a vote of

confidence in young people; and 8.3 percent said they agreed with the decision because it would reduce the price of drugs.

We repeat that 85 percent voiced opposition to the decriminalization. Why did they oppose it? Some 31.3 percent said they opposed the ruling because it represented a health threat; 15 percent said it would put more criminals and drug addicts on the streets; 14.3 percent said they agreed with the call for a referendum on the issue; 7.5 percent said they were against decriminalization because it would lead to state corruption; 7.5 percent opposed it because it would create double standards within the Colombian judicial system; 7.5 percent said young people must first be educated, adding that this task has yet to be carried out; 6.1 percent did not agree because they felt the decision was based on U.S. interference; 5.4 percent did not agree because drug consumption is senseless; and 5.4 percent said they rejected the ruling because the current Constitution is inadequate and incongruous.

Foreign Trade Minister on G-3 Agreement

PA1005122894 Santa Fe de Bogota EL TIEMPO in Spanish 4 May 94 p 11a

[Text] Medellin—The product-origin regulations in the textile and petrochemical sectors are the two points that need to be negotiated so that Colombia, Mexico, and Venezuela can sign the G-3 [Group of Three] commercial integration agreement before Colombian President Cesar Gaviria's administration concludes.

This was reported by Foreign Trade Minister Juan Manuel Santos during the inauguration of the "Businessmen and Economic Opening" seminar, organized by the Colombian Foreign Trade Institute (Incomex). According to the minister, the negotiation's technical commission will hold a new meeting before the end of the week to try to reach a decision on the points pending on the 400-page agreement.

However, several businessmen, mainly in the textile sector, fear that political interests are taking precedence over commercial interests in the signing of the G-3 agreement. "We are worried that conditions unfavorable to the Colombian industrial sector might be accepted just so they can sign the agreement prior to leaving. Mexico is demanding 100-percent compliance with the product-origin regulations, and this is impossible," a textile industry businessmen stated.

With the signing of the G-3 and Caricom [Caribbean Common Market] agreements, which, according to Minister Santos, will also be negotiated next week, the government will have kept the entire integration program, which it proposed when the Foreign Trade Ministry was created.

The signing of approximately 22 bilateral and multilateral agreements have given the country access to a market of 200 million Latin Americans, not just a market of 34 million Colombians. In addition to those agreements, the government also obtained tariff preferences from the United States and a 10-year agreement extension with the European Union. According to Minister Santos, "having 60 percent of the international markets tariff free, Colombia will have favored access to them, but will have to learn to sell and conquer those markets."

False Infrastructure

To conquer the markets to which Colombia has guaranteed access through its commercial integration agreements, the country has to resolve its infrastructure and education problems. According to Santos, the country has a large infrastructure shortage and is under the Latin American average of 3.6 km of highway per citizen. "This means that, on average, our exports are 5-percent more expensive and that we are 5-percent less competitive due to our shortcomings in terms of highways, without counting deficiencies in our airports and other communication systems," Santos added.

During his speech to inaugurate the Incomex seminar, Santos noted the scarcity of human resources. He highlighted the Monitor survey results that indicate that 85 percent of Colombian businessmen have expressed their dissatisfaction with the quality of human resources.

"The universities are increasingly below international averages; only 50 percent of our youth get to high school, and there is a 10-percent illiteracy rate," the minister asserted. According to the foreign trade minister, the competitive advantages were previously in natural resources and cheap labor. However, today, the most important advantages are in infrastructure and human resources.

Finally, Minister Santos referred to the need to attract foreign investment to the country since it will bring new technology, products, and jobs.

Candidate Samper Explains Plan for Government

PA0705190594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0233 GMT 6 May 94

[Speech by Ernesto Samper, presidential candidate for the Liberal Party of Colombia, on 5 May; place not given—live with recorded video presentation]

[Text] Good evening, Colombians. Colombia is experiencing one of those times in history when our dreams can come true. During President Cesar Gaviria's Liberal government, we adopted a new constitution, we began internationalizing our economy, and we began to dismantle narco-terrorism, thus demonstrating to the world that we are not the perpetrator but the main victim of this worldwide plague. Our destiny cannot be condemned to backwardness. We can succeed if we make a faithful, courageous commitment. But we still have a long way to go. Colombians continue to demand change. I will work unceasingly to make those changes. I hope to

do so with the support of a modern, dynamic liberalism, free of the influence peddling and patronage of the past; a liberalism that is socially committed to a young, dynamic, and moral government, which is, above all, pledged to the social development of the Colombian people.

During my administration, we will begin the social phase of economic openness. We will put our heart and soul into this opening process and work to create jobs, social investment, and projects that will bring progress. That is why I chose Humberto de la Calle as my running mate for this great task of renewal. His experience during the Constituent Assembly, his management of the matters of state, and his unblemished career as an honest man are the guarantees I offer all Colombians. You have the opportunity to vote for a ticket that is not the result of improvisation but of serious reflection about who his truly capable of blazing a sure path to the future for all Colombians.

Other important members of the community will accompany us in this endeavor. Their support has been confirmed and consolidated in what we call the Alliance for Colombia. Progressive conservatives, the National Popular Alliance, Christians, Indians, Negroes, peasants, representatives of the left-wing democratic movements, and people with no party affiliation have enthusiastically answered our call to forge this great alliance and bring about profound social change. They who have never been given enough space to make their demands heard are the true spokespersons of that new Colombia. Their voices shall be heard for the first time, and they will feel a part of this country that had turned its back on them for so many years.

With your support, fellow Colombians, we will move together to take that giant social leap through the creation of more and better productive jobs. Employment is a requirement for peace. To decrease insecurity in our cities we must provide our youth with jobs. To prevent the countryside from being a fertile ground for criminals, we must support our peasants. Therefore, I pledge to generate 1.5 million new productive jobs. All of the efforts we have made over the past few years to modernize the economy will be futile if we fail to ensure that the benefits of openness reach the people—the people of Colombia. Thus, I pledge to invest in education, health and housing, and especially to invest in women—those with the greatest needs and greatest burdens. I will pay the social debt that Colombian society has owed its women for too many years.

My fellow Colombians, I am optimistic about Colombia's future. Colombia is the best place in the world to be born, to grow up, and to live with our children. I invite you to share this optimism with me. As you well know, thanks to God's mercy, I was given a second chance in life. I want to dedicate that second chance to work. With your support, I want to work so many more Colombians can have at least a single chance to progress in peace and justice.

Now I would like to show you a documentary that I have presented at more than 45 universities across the country. It explains some of my campaign's main proposals.

[Begin recording] [First unidentified speaker] We need to work.

[Second unidentified speaker] I haven't heard anything.

[Third unidentified speaker] There is no work in the field of mathematics.

[Second speaker] I haven't heard anything.

[Fourth unidentified speaker] Opportunities are sometimes rather scarce, aren't they?

[Second speaker] There is plenty of unemployment.

[Fifth unidentified speaker] Well, the job did not work out.

[Sixth unidentified speaker] Work? Selling strawberries and peaches.

[Seventh unidentified speaker] It is impossible to get a job these days.

[Eighth unidentified speaker] They have too many requirements.

[Ninth unidentified speaker] It is not easy to get a job in this field, so I am doing something very different now.

[Unidentified announcer] Unemployment will be the most pressing problem of the next century. In addition to the unemployed, there are also so-called informal workers in Colombia. They do have work, but under very difficult conditions. This phenomenon affects the young in particular. The unemployment rate among young adults is twice the national rate.

[Samper] Among the problems we face today, none is as important as unemployment. The solution to unemployment is the same solution to many other problems. The lack of public safety is related to unemployment. Problems on Colombian farmlands have plenty to do with unemployment. That is why I have promised to create 1.5 million jobs. I will do it with the following plans:

The difference between peace and war is at stake in the Colombian countryside. By giving subsidies back to farmers, I hope to create 120,000 new jobs in the agricultural sector in the next four years.

Colombia has extensive experience in the development of small enterprises. We have 1.2 million small enterprises, and we are going to make the most significant effort that any government has ever made to create 350,000 small businesses in the next four years.

We are going to help major businesses improve product quality, update technology, and reach the international market under truly competitive conditions.

Where there is no infrastructure, there can be no opening. Economic openness without ports, railroads, or highways is no openness at all. That is why we must make an enormous effort to develop our infrastructure with an investment of over $3 billion and by creating 100,000 jobs.

Economic openness has to be a two-way street. We buy from those countries that buy from us. It must be based on reciprocity. We will double our exports, which will allow us to create about 250,000 more jobs, within the same four-year period.

[First unidentified student] The technology at my university is about 20 years old.

[Second unidentified student] There is no place for scientific research.

[Third unidentified student] We need financial support to do things at the same level as the more developed countries.

[Fourth unidentified student] It is easier to make a satellite connection with some other country in the south than it is to make a microwave call to Monteria.

[Fifth unidentified student] I do not think the universities are producing professionals that meet the needs of the job market.

[Announcer] Whether a country is more or less advanced than others does not depend solely on how much money it has in its reserves or how rich it is in natural resources. It also depends on the degree of development of its educational and technological system.

[Samper] Today's world is no longer divided into the haves and the have-nots but among those who are educated and those who are not. We do not have education here. I intend to increase spending on science and technology from the current 0.6 percent to 2 percent by the end of my administration. Technology must be included in the education system.

I am going to create 200,000 apprenticeships so those high school graduates who are unable to enroll at a university can have practical training in the workplace, with a theoretical complement offered by the state through a new SENA [National Apprenticeship Service]. The investment we are going to make to better train people in Colombia will translate into better jobs for many Colombians, particularly young people.

[First unidentified speaker] Nobody takes care of or cares about our resources and the environment.

[Second unidentified speaker] Large industries are polluting.

[Third unidentified speaker] The environment is being destroyed.

[Fourth unidentified speaker] Most people are destroying the trees, animals, and everything.

[Fifth unidentified speaker] People have destroyed part of life.

[Sixth unidentified speaker] The peso sign is what is destroying the environment.

[Seventh unidentified speaker] Forests are being destroyed every day, and nobody says anything.

[Announcer] It is time to realize the damage we are doing to our environment. By destroying the woods, polluting rivers, and destroying life in natural reserves, we are also destroying the quality of life for Colombians of the 21st century. Those Colombians will be our children and our grandchildren.

[Samper] Do you know how many hectares of woods are destroyed in Colombia every minute? One hectare. That means 600,000 hectares annually, and we only plant 14,000 hectares annually. That is why the environmental policy must be aimed first at creating an environmental awareness among children. Our defense of the environment must come from a commitment to solve what I consider the great ecological catastrophes of Colombia: the pollution of the Bay of Cartagena, the destruction of the Sierra Nevada de Santa Marta, the renewal of the Madgalena River as a vital artery in our ecosystem, the defense of the Sierra La Macarena, and the protection of the forests in Choco and Amazonia Departments.

In my government, all companies that pollute will have to pay for the damage they have done to society so we can improve and restore the environment.

[Unidentified speaker] There is corruption in every aspect of society.

[Second unidentified speaker] Corruption is an everyday thing here.

[Third unidentified speaker] We need more honesty.

[Fourth unidentified speaker] Corruption hides behind some neckties.

[Announcer] The great problem of our democracy is corruption. To enable the state to assume its great responsibilities, we need to eradicate corruption, illegal enrichment, and the immorality that has permeated public administration.

[Samper] Corruption eats at night what a society achieves during the day. That is why I have presented an anticorruption statute which, unlike other statutes, commits citizens to the struggle against corruption, because it is a challenge and a problem that belongs to everyone. We have issued a code of ethics for my campaign. It is being executed by an ethics administrator. This code of ethics begins by establishing ethical limitations on myself and on my campaign. If we give jobs to youths, they will not have to join the People's Militias. If we give

jobs to peasants, they will not join the ranks of subversion, nor will they have to smuggle drugs overseas. For me, employment is the new word for peace. [end recording]

Candidates Answer Questions on Issues

PA0905234694 Santa Fe de Bogota EL TIEMPO in Spanish 4 May 94 pp 3-7

[Responses to an EL TIEMPO questionnaire on campaign issues by Colombian presidential candidates Ernesto Samper Pizano of the Liberal Party, Andres Pastrana of the Conservative Party, and Antonio Navarro Wolff of the 19 April Movement-Democratic Alliance]

[Text] [EL TIEMPO] 1. When and how does corruption occur? In your opinion, where are the highest levels of corruption in Colombia?

[Samper] The country's highest corruption rates are found within the public administration because of influence peddling, irregularities in the handling of contracts and procedures, and illegal actions by government officials. Certain positions within the government are more vulnerable to corruption and the abuse of power because of the nature of their functions. Therefore, the plan against corruption I have proposed includes special mechanisms to identify and control those positions and create "transparency zones" [zonas de transparencia] in the administration.

[Pastrana] The highest levels of corruption in Colombia are linked to the large mafias, particularly the mafias involved in drug trafficking and contraband. These mafias have managed to infiltrate institutions such as civil aeronautics, customs, justice, and the political system. Administrative corruption has also grown because the state continues to be viewed as political booty. The result is a distorted administrative structure—one without goals, dominated by power brokers, characterized by permanent changes in leadership, and which lacks incentives for honest officials; one in which disorganization fosters corruption. Taking into consideration that this same "politization" dominates our control mechanisms and that our justice system has shown little efficiency, is not hard to understand that why a climate that favors the use of public posts for personal gain has spread.

[Navarro] THE ECONOMIST has described Colombia as one of the most corrupt countries in the world. We believe it is one of the most corrupt countries in Latin America. The roots of corruption are embedded in the decomposition of our social values, where religious ethics have not been maintained or have been replaced by secular ethics. Corruption is eroding relations between the public and private sectors in two main areas: decisionmaking and compliance with the law. In order for corruption to exist, someone must be willing to receive money and someone must be willing to pay it. In the state, corruption is basically concentrated in the Executive Branch, because this is where most decisions are made and most funds are handled. Taking into account there are some exceptions, corruption occurs from the highest national levels to the lowest municipal levels. This is clearly associated with public activities, particularly with politics.

[EL TIEMPO] 2. Will you "negotiate" with Congress? Congress and the government have been criticized for negotiating bills in exchange for sinecures (appropriations, positions, etc.). Do you believe this mechanism contributes to corruption? Would you employ it during your tenure?

[Samper] Of course this mechanism contributes to corruption, and therefore, I will not use it. That was why the Ethics Code of last year's campaign clearly stipulated the responsibility of congressmen supporting my candidacy. Those congressmen are committed to back and promote from Congress the approval of measures aimed at facilitating the government plan I have been presenting to Colombians. In a way, it is a programmatic vote at a national level.

[Navarro] Independent government branches are essential in a mature democracy. Therefore, not only will I not employ this mechanism, but I propose that as of today, it be considered a crime to do so.

[Pastrana] The country strongly opposed the appropriations. Therefore, we should not yield to any pressure to reinstate them. The problem of positions is linked to a concept of bureaucratic rewards that causes great harm to the country. The weak partisan structures make relations between the president and Congress difficult. We must establish rules to ensure governability. I believe it would be a good idea to explore the mechanism of a pact similar to the one signed by the New Democratic Force with President Gaviria. That pact should seek a commitment with the government plans, and, at the same time, it should publicly assume responsibility in policies. In addition, we should create a political consensus around a development plan that would alleviate pressure on annual budgets.

3. Other Measures

[EL TIEMPO] What other measures, in addition to draft bills or statutes, will you implement to fight corruption?

[Samper] Our task is to once again make ethics a form of social behavior. To my way of thinking, it is fundamental that the laws generate credibility and thus encourage citizen participation, which I consider the only way to win the struggle against corruption. If we do not get the people to join the struggle by reporting and cooperating, the task of moralization will be very difficult. I intend for my government to once again have grade school classes in constitutional ethics and civics instituted, so that new citizens being formed in school classes may once again take up the lost concept of good citizenship.

[Pastrana] I have already begun. The Congress Ethics Commission was created at my request and has started combating corruption in the Legislative Branch. The statute against corruption that I submitted will allow the state the legal basis to investigate and prevent corrupt behavior. It is important to break up that "marriage" between the corruptor and a corrupt person. An organization with power and citizen support is required to carry out intelligence operations as specified in the statute.

Special treatment and a commitment by society and by the state is required in order to cope with the Mafia. The status of the war against narcotics trafficking is a result of the permissiveness of government and society. Contraband has always been allowed by the passive and permissive attitude of society. First, there were the sanandresitos [area where smuggled goods are sold openly], and today there are strong ties between contraband and money laundering. The presence of these monies in political parties and in Congress is an insult to the country. Society must wage a considerable battle against contraband if we want to defend our industries and our jobs.

The issue of the Cusiana [oil fields] is something else. The country is worried about the macroeconomic effects, but it has not devoted much attention to how to prevent corrupt practices associated with financial boons. Many countries have squandered opportunities that have arisen from such a boon.

[Navarro] Laws and statutes are necessary. They must include appointing civic supervisors, punishing more severely front men in money laundering operations and those who pay bribes, lifting bank secrecy laws, requiring public officials to provide statements of income, strengthening control mechanisms, and rewarding informants, among other things. In addition, two essential things are needed:

A) To practice new ethics and preach by good example, starting with the president of the Republic; and

B) To organize an Operation Clean Hands as of 1500 on 7 August 1994 led by the Search Bloc against corruption, with the participation of the Presidency of the Republic, the Prosecutor General's Office, the Attorney General's Office, the Treasury Overseer's Office, and the technical and support teams that are necessary.

4. Strategies

[EL TIEMPO] How will you cope with corruption at the national, departmental, and local levels?

[Samper] This will be done by strictly applying the anticorruption statute which I presented and which I hope will become a law as soon as possible. In addition, it is necessary to promote citizen participation in this struggle against corruption, through public trials, citizens supervisors, and privileged access to information. Colombian democracy cannot succumb to the cancer of corruption, which is as dangerous as violence itself. It must strengthen and expedite the work of the control mechanisms. The Attorney General's Office, the Comptroller General's Office, and the Treasury Overseer's Office exist for these basic purposes. As for the issue of regional officials, that worries me, because we cannot allow this great democratic achievement of political decentralization to be foiled by the actions of corrupt and immoral regional officials. The people in the regions must choose their representatives well, since this is the only manner of ensuring that decentralization successfully stays on course.

[Pastrana] It is essential to strengthen and make independent all control structures. This must be done not only among those in charge of disciplinary and penal control, but also among those responsible for the control of efforts and results. In the first case, it is important that the country have a visible leader from whom the people can demand results. The Attorney General's Office must take over this role in cases of administrative corruption, just as the Prosecutor General's Office has been doing for other crimes.

In the second case, deficiencies at the comptrollerships are considerable and more attention should be paid to them. It is also necessary to strengthen the superintendencies to prevent aberrant situations such as those observed in the public services, or financial crises such as we had in 1982 or the one that Venezuela is currently experiencing. To conclude, a pledge must be made to modernize the administration, increase the continuity of the managerial structure, and actively involve various civic organization in the administration and surveillance of public services.

[Navarro] The points outlined above are the main strategies we will use. In addition, we will adopt the following specific measures:

A) We will give the post of Overseer of the Treasury permanent status, maintain Dr. Jorge Garcia Hurtado as its director, give that office more punitive duties and its own agents in the departments and in the 50 most highly populated municipalities of the country. We will also establish alternate overseers in the municipalities that receive sizable bonuses.

B) As of 7 August 1994 all employees, beginning with the president and vice president of the Republic, must declare their properties and incomes at the Office of the Overseer of the Treasury. The GAZETTE will publish the declarations of officials who have jurisdiction and control on the day they are sworn in and on the day they retire.

[EL TIEMPO] 5. What is the connection between the centralization of power and corruption? What will you do about this situation?

[Samper] Someone once said: "Absolute power corrupts absolutely." Therefore, the best way to avoid this corrupting power is to open democracy, decentralize power, and implement efficient and effective mechanisms like the ones foreseen in the new Constitution. This connection exists throughout the world, and therefore, it is essential to continue to achieve progress in the regional and local autonomy processes—so that power is distributed among more people and so the citizenry has more access to it. Fortunately, in Colombia we have a presidential regime; with the 1991 Constitution, we continue to strengthen the other two state branches: the Legislative Branch and the Judicial Branch. Nevertheless, we can and must do much more for the balance and independence of these branches, and to give more power to the regions.

[Pastrana] I have no doubts about the connection between the concentration of power and corruption—both political power and economic power—and even worse is the possibility of either of them ending up controlling the media. The Television Broadcasting Law should ensure that this cannot happen and that the Executive Branch should be ready to fight the figureheads with all means at its disposal.

We must also strengthen the overseeing authorities and establish political campaign financing limits.

[Navarro] Of course there is a connection. The centralization of power implies a weakening of checks and balances. This is why we will move toward a balance of power, as outlined by the spirit of the Constitution. We will also use the Search Block we mentioned before to combat our current problems.

[EL TIEMPO] 6. Campaign financing could generate corruption. What changes will you make in this area?

[Samper] I believe significant steps have already been taken to control the entry of funds whose origin is unknown. There are two basic measures that should be highlighted: government financing and the work of the Overseer of the National Treasury. It is urgently necessary for these measures to go even further, and it is up to us candidates to show transparency and honesty in financing our campaigns. This is why I appointed a director of ethics to control our income.

[Pastrana] Illegal money and contributions by economic groups should be handled differently. Regarding the former, eradication is part of the comprehensive strategy I proposed against drug trafficking and contraband. We must also fight the negative influence of economic groups and their control over politics. The 1991 Constitution took one step forward by obliging the state to finance political campaigns and by controlling the contributions made by private individuals. To do this, we need to tighten the measures regarding auditing, accountability, and public reporting of campaign resources.

[Navarro] It is absolutely essential to establish spending limits for political campaigns. The ceilings do exist today, but there is no control over penalties for those who violate them. I propose that the Overseer of the National Treasury serve as the authority to enforce these controls and that any violation of them be reason for disqualification.

In addition, it is essential that information regarding campaign finances be verifiable and that any related violation also be reason for harsh penalties.

[EL TIEMPO] 7. The Inspector General's Office, the Attorney General's Office, and the Comptroller General's Office require changes to become more effective. What are these changes, and when should such changes be implemented?

[Samper] It is necessary to make investigation procedures more efficient and to conduct them expeditiously to convince the people, who often do not believe these institutions are reliable. It is necessary to eliminate obstacles and simplify procedures. Investigations of public officials should not go on for four or five years, and sentences should not be announced when the officials are no longer in office. Greater efforts must be made to update and improve these institutions. Also, it is necessary to standardize penalties and procedures for all public officials. It might even be advisable to consider the possibility of officials waiving statute of limitations benefits in disciplinary investigations in corruption cases.

[Pastrana] All of these institutions require urgent changes. Nevertheless, I do not think there are any clear-cut means to enable the people to assess the results of such changes. The Attorney General's Office should become the great visible leader in the fight against corruption—the great ally of the people. This office should be invested with broad powers to conduct investigations and show results to society. The Comptroller General's Office should be made to fit the new concept of stringent procedures and results. It is incredible that, while our public institutions are inefficient, the citizens do not have information enabling them to pressure for the necessary changes.

[Navarro] Several changes have already been mentioned, in particular those within the Inspector's Office, which seek to strengthen the office and keep the current inspector. This is very important because he has exceeded the expectations placed on his position. An Inspector's Office without bite is of no use.

The Comptroller General's Office requires in-depth reforms, because it is one of the state's most influence-peddling institutions. This is why we did not include it in the Countercorruption Search Block that we propose.

It is necessary to start by changing the procedure to appoint the comptroller general, for which the Congress is currently responsible. The comptroller general should be appointed by the attorney general, the Inspector

General's Office, and the Legislative Assembly's judicial commission. In addition, the comtroller general's control functions should be strengthened urgently as ordered by the Constitution.

[EL TIEMPO] 8. During your administration, what specific mechanisms will the citizens have to actively participate in the struggle against corruption?

[Pastrana] There are several mechanisms that should be implemented. First, public hearings would allow public officials and the community's representatives to meet to discuss and resolve matters related to efficiency and morality in carrying out the tasks in the relevant institutions. Meanwhile, civilian overseers should be organized with the power to request from state officials information on contracts and agreements signed by various administrations. This will allow the citizens to know what these contracts are all about. Last, the promotion of active participation is necessary by the various media in this struggle in order to facilitate this task.

[Samper] The people and the press should play an active role in the struggle against corruption. It is important to instill in the citizens high moral values and to organize a broad council whose main goal will be to outline goals and assess results. Moreover, the common, everyday citizen should be constantly informed on the quality of services he receives and on the costs of negligence and corruption he is forced to pay. To reach this goal, it is necessary to have more dynamic media and to establish an information system of an obligatory nature that is easily understood by all Colombians.

[Navarro] The citizens will have two specific types of anticorruption duties:

A) The accusation, with mechanisms as those previously mentioned, such as protection of witnesses and rewards for information, which would go to individuals or to organized communities.

B) Control of the process of public contracts and their execution, as well as in the decisionmaking process in matters of public interests We will also establish the community tax clearance certificate.

A great deal of encouragement will be given to all of those municipal administrations that, in keeping with current laws, offer active participation to citizens when awarding contracts for public works projects in the community.

[EL TIEMPO] 9. And what about the police? Are the changes implemented in the police effective enough to control corruption within this institution? Why?

[Samper] We cannot deny that progress has been made in cleansing the police. Nevertheless, the population still considers corruption to be the main problem within this institution, which obviously encourages growing distrust. The recent creation of the post of national high commissioner and the excellent performance by the former directors have contributed to the institution's efficiency. Likewise, it has contributed to improving the institution's public image. However, there is still much to be done such as training, increasing the number of units, especially in the large cities, and establishing efficient and acceptable mechanisms that will prevent excesses by some institution members.

[Pastrana] For many years we have neglected our police. Restoring citizen safety depends in great measure on our ability to rescue this institution. Changes are important, but we must be cautious in order to be able to adapt to an ever-changing situation. I would welcome a more concrete commitment by the Executive Branch, because the reforms, including the institution's control and cleansing guidelines require significant investment.

[Navarro] Apparently, not. It is necessary to wait for the results of the preliminary report prepared by the National Commission, a body created within the police as a result of the recent restructuring. If it is demonstrated that it is insufficient, new changes will need to be implemented to grant more control to the population.

[EL TIEMPO] 10. Performance Indicators. If you were president, which indicators could the Colombian people resort to in order to evaluate your performance in the struggle against corruption?

[Samper] They could rely on the most important indicator for a public official: the ability to honor promises made—my word.

[Pastrana] During my administration, I will be committed to eradicating contraband from Colombia. We are talking about a frontal and permanent struggle for the survival of our entire industry and honest work in general. Another of my objectives is to continue the battle the country has been waging against the influence of drug trafficking. All the officials in my administration will be honest and divorced from petty political party interests. We cannot continue attacking influence peddling during campaigns and at the same time exercise it in the government.

[Navarro] The indicators will be as follows:

A) The number of inmates and persons tried for crimes carried out against the public.

B) The public resources recovered during Operation Clean Hands, which I propose be carried out by the Search Bloc against corruption.

C) The number of citizens overseeing operations throughout the country at the end of my term.

D) The number of public officials who demonstrate transparency in carrying out their duties, which will be measured through their disclosing their income and property.

E) The results of the reforms implemented to the institutions to which I referred previously.

Sentence Reduction Agreement With Drug Trafficker Annulled

PA0705040794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 6 May 94

[From the "Seven O'Clock" newscast]

[Text] The controversial sentence reduction process with confessed drug trafficker Juan Diago Arcila Henao, a.k.a. El Tomate, which had been denounced by a Barranquilla judge as a judicial outrage, was overturned today by the Santa Fe de Bogota judge who reviewed the case. This is the first time this has occurred following negotiations between a prosecutor and a criminal.

More than 15 days ago, on direct orders of the Justice Ministry, a Santa Fe de Bogota regional judge began to examine the sentence reduction agreement that the Prosecutor's Office had negotiated with El Tomate. Serious flaws were found that did not justify the sentence reduction that had been granted. According to the deal annulled today, Juan Diego Arcila Henao's 17-year sentence for drug trafficking, illicit enrichment, and conspiracy to commit crime had been reduced to only four years for confessing, cooperating, and providing information. El Tomate's new sentence must now be decided.

This is the first time a deal with a drug trafficking kingpin has been rejected. This newscast has also learned that in order to avoid new overly generous sentence reduction agreements between drug traffickers and prosecutors, a special oversight commission will be created to review legal proceedings against important capos.

Roundup of Economic Developments

PA1005180294

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 10 May:

Officials from the Tax and Customs Directorate will have to answer for the loss of 60,000 exportation forms, which has partially paralyzed export transactions. Customs authorities believe the forms were stolen with the intention of selling them on the black market for 20 million pesos each. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 May 94)

Inflation so far this year is running at 12 percent. Some 2.8 million Colombians are unemployed, compared with the unemployment figure of 2 million recorded in 1990. Meanwhile, exports are down from 1991's high of $7.2 billion. Today, annual imports amount to about $9 billion, compared to $4 billion in 1991. (Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 8 May 94)

Paraguay

Seifart To Visit Costa Rica for Inauguration

PY0605135294 Asuncion ABC COLOR in Spanish 6 May 94 p 11

[Excerpt] Vice President Angel Roberto Seifart will represent President Juan Carlos Wasmosy at the inauguration of Costa Rican President-elect Julio Figueres.

Seifart traveled to Costa Rica at 1600 yesterday aboard a Varig commercial flight. Interior Minister Carlos Podesta is accompanying the vice president.

PLRA [Authentic Radical Liberal Party] Senator Luis Guanes Gondra and the Colorado Party's Constantino Mencia are part of the official entourage.

Seifart advised Congress of his trip to Costa Rica thus fulfilling a constitutional requirement. [passage omitted]

Wasmosy Celebrates First Election Anniversary

PY1005154694 Asuncion ABC COLOR in Spanish 10 May 94 p 8

[Text] President Juan Carlos Wasmosy last night asked the Colorado Party to strive to continue Paraguay's development. He said this at the headquarters of the Colorado Party during a celebration to recall the first anniversary of the general elections, which the party won. Party President Eugenio Sanabria Cantero thanked Colorado workers and peasants for not following "corrupt union leaders."

The chief of state recalled that the Colorado Party won the 9 May 1993 general elections. He told party members that the party's current challenge as a government party is that of facing underdevelopment and the fight for health, education, and welfare.

When asked later if he alluded to the recent strikes when, during his speech, he said that Paraguay must not be paralyzed, Wasmosy answered: "I refer to all those who wish to stop the machine."

He indicated that every effort must be made to enable Paraguay to win in the formidable war against underdevelopment. He stated that he made this request as president of the Republic and as commander in chief of the Armed Forces.

Wasmosy said: "I do not need and I do not want Wasmosistas or any type of istas. I need and demand upright men, capable citizens, loyal aides, and colleagues with whom I can work and who are willing to face challenges with intelligence, imagination, and courage."

He called for an end to sectarian fanaticism that motivates intrigue, slander, and evil. He added: "We must overcome seditious interests and unite in carrying out the noble mission of serving the fatherland with talent, capability, and total devotion."

The chief of state said: "Democratic institutionalization, the state of law, republicanism, and my profound dedication demand that I ask my fellow countrymen for the necessary sacrifice to win."

"This democratic and Colorado government demands respect without subservience, discipline without obsequiousness, and support without conditions," he said.

Wasmosy thanked his fellow party members for the support he received on 9 May 1993, adding that this support must increase considering the time the party will be responsible for governing. "A greater responsibility is needed because before the elections the focus was on the party, but today we carry the enormous task of being statesman for both the party and for all citizens," he stressed.

He warned of the possibility of false prophets who may take up the republican principles and fly the Colorado banner.

Sanabria Cantero expressed the Colorado Party's total support for Wasmosy's government task and he congratulated party workers and campesinos for not following "corrupt union leaders."

Sanabria Warns Against 'Disorder'

PY1005134094 Asuncion NOTICIAS in Spanish 10 May 94 p 4

[Excerpt] Eugenio Sanabria Cantero, president of the Colorado Party, last delivered an aggressive address during a ceremony commemorating his party's victory in the 9 May 1993 elections. He warned that the "Colorado Party will do anything necessary, during any emergency in which we are called, to defend the legitimate right of the Colorado Party to govern."

The ceremony was held at the Colorado Party headquarters with the participation of President Juan Carlos Wasmosy, ministers, and the party's top leadership. Sanabria Cantero said that the country is advancing "against what is written and proclaimed through incomplete information."

He again warned those who speculate "that disorder, chaos, and a public lack of tranquility are instruments of destabilization, that they will never make the government slip nor will they confuse the republican masses who remain firm, as is their tradition, in the defense of order and lawfulness no matter what they are called to defend." [passage omitted]

Armed Forces Pledge Allegiance

PY1005142294 Asuncion ABC COLOR in Spanish 10 May 94 p 9

[Text] On the first anniversary of the 9 May 1993 general elections, Vice Admiral Eduardo Gonzalez Petit, the commander of the Military Forces, sent a note to President Juan Carlos Wasmosy, the commander in chief of the Armed Forces, yesterday. In his note, Vice Adm. Gonzalez Petit told the president that the military will follow "his praiseworthy task with complete institutional subordination to the political power and with the total conviction that his patriotic administration and resolute efforts are sure to lead to the full development of democracy, and consequently, to the betterment of the standard of living of our heroic people."

The letter says: "On the occasion of the first anniversary of your resounding victory in the national elections, which gained you the presidency, it is a great honor for me to address Your Excellency and to extend to you my most heartfelt and warm congratulations on behalf of the generals, senior officers, subalterns, auxiliary personnel, non-commissioned officers, conscripts, military employees, and warrant officers of the Military Forces. It is with deep satisfaction that I express our content over the skillful way in which you have conducted our glorious Armed Forces, which have as their commander in chief a civilian who faithfully addresses his concerns. I wish to once again extend my congratulations to Your Excellency, our commander in chief, together with my loftiest sentiments of esteem and respect."

Peru

Fujimori Rejects U.S. Lawyers' 'Recommendations'

PY1005181294 Madrid EFE in Spanish 0348 GMT 10 May 94

[Text] Lima, 9 May (EFE)—On 9 May, Peruvian President Alberto Fujimori stated Peru is "entirely sovereign" and if its counterterrorist laws are flawed, Peruvians will correct them. Thus, Fujimori answered several "recommendations" to study the country's legal situation by a New York Bar Association mission at the end of an eight-day visit to Peru. The visiting lawyers recommended that Peru's counterterrorist laws be amended and made more flexible. "We will make them more flexible as we acquire more experience," Fujimori said. He added that any changes should not "jeopardize" the peace process.

Commenting on the U.S. lawyers' "recommendations," Fujimori asked "why should we accept their cooperation now, when they left us alone for 12 years during which time 25,000 people died." The president added: "The responsibility is ours alone; should there be any mistakes, we will correct them." Fujimori emphasized that delegations of lawyers "can keep coming" to Peru, but it is up to the Peruvian Government to decide what suits the country best.

The New York lawyers' "recommendations" include not trying cases of aggravated terrorism or high treason in military courts, not keeping terrorist prisoners incommunicado, and giving lawyers free access and the right to meet in private with alleged terrorists while in prison.

The New York lawyers also recommended that all innocent people arrested on terrorism-related charges in Peru

should be pardoned, and that the anonymity which protects judges and witnesses in high-treason trials should be lifted.

Captured MRTA Leader Villalobos Interviewed

PY1005001094 Lima Panamericana Television Network in Spanish 0200 GMT 8 May 94

[Report by Else Ursula Picon including excerpts of recorded interview with "repentant" MRTA leader Emilio Villalobos Alba, also known as "Comrade Celso," place and date not given; from the "Panorama" program presented by Guido Lombardi—recorded]

[Excerpts] [Lombardi] This past week Dincote 2 [National Counterterrorism Directorate, 2d Department], headed by Colonel Juan Gonzalez Sandoval, arrested important MRTA [Tupac Amaru Revolutionary Movement] leaders. Panorama was able to interview one of those arrested, a repentant MRTA member, and in the course of the interview he supplied some details about the MRTA's internal organization.

[Picon] The last man in the arrested group of MRTA members did not mean much to anyone: Emilio Villalobos Alba. With his arrest, however, Dincote did not arrest just another MRTA member. Villalobos' arrest meant that Dincote had arrested Peter Cardenas Shultz's successor, that is, the MRTA logistics apparatus chief, the chief of the MRTA special forces, and the man in charge of the MRTA's international network; a member of the MRTA national board, and a member of the MRTA national leadership. That is who Emilio Villalobos, also known as Comrade Celso, is.

Emilio Villalobos, Comrade Celso, joined the MRTA in 1984. The police first identified him on 23 December 1985 when Celso, as a member of the MRTA hit squad, attacked the Escala Gigante shop on Alfonso Ugarte shop, where he was injured. He was able to flee, but by August 1986 the police were aware of the attacks he had taken part in and they began to seek him.

To this point, Comrade Celso's task in the organization had been to orient the masses and execute armed actions. All this changed, however, on 19 July 1988, when he was arrested and sent to serve his sentence at the Castro Castro jail. This is where Emilio Villalobos's story begins; how he became a member of the MRTA leadership and how eventually he became Peter Cardenas Shultz's successor.

Panorama was able to interview the protagonist of this story: Emilio Villalobos, Comrade Celso, who is under arrest today.

[Begin recording] [Villalobos] At the time, I held a very high position within the MRTA leadership. At the time, the leaders included a number of MRTA members and many of them had held important posts.

[Picon] Such as?

[Villalobos] Such as Peter Shultz, Lucero Cumpa, Miguel Rincon Rincon, etc. [end recording]

[Picon] Given his prison ties, when he left jail on 6 April 1990, the MRTA selected Villalobos to do important work with one of the most important MRTA leaders, Nestor Cerpa Catolini:

[Begin recording] [Picon] Were you a member of the Metropolitan Committee?

[Villalobos] That is right.

[Picon] What other posts did you hold within the MRTA?

[Villalobos] (?Depending) on different needs, I was assigned to the northern region. Later, I took on larger responsibilities. [end recording]

[Picon] In view of this new task, Peter Cardenas Shultz ordered, from jail, that Celso be assigned an undercover identity. From that point, Emilio Villalobos, also known as Comrade Celso, became Oscar Balderrama Bernedos, a Bolivian journalist acting as a PRESENCIA magazine correspondent in Lima.

With this undercover identity, Celso, together with Nestor Cerpa Catolini, was responsible for planning the most violent kidnappings and assassinations of various Peruvian businessmen.

[Begin recording] [Villalobos] (?These) deaths (?had to with) the all-out war we were waging against the Armed and military forces. But in no way whatsoever did the MRTA ever support any project based on killing Peruvians in an indiscriminate manner, or perpetrating actions that would affect the civilian population. We were very respectful in this regard. We even upheld the Geneva agreements.

[Picon] Why, then, did you kill kidnapped victims? There are several examples in this regard, such as Ballon Vera, the Spanish businessmen, Miyasato, Furukawa, and several others who were killed by the MRTA. If the MRTA, as you allege, respects human rights and the lives of individuals, why did you kill these kidnapped victims? For money?

[Villalobos] Among the many businessmen who were taken prisoner, you will find several—and some of them have publicly told this to the media—who have commented on the dignified manner in which they were treated...

[Picon, interrupting] But there are also many, like businessman Ballon Vera, who were savagely killed. Unfortunately, they are unable to comment on the tortures they endured, but they were killed.

[Villalobos] Among the reports we have available, unfortunately we do have reports of these incidents. We have faced difficult circumstances. But I believe these deaths

are part of a war, and there are no wars without deaths. This is a fact. [passage omitted]

[Picon] [words indistinct] military with you?

[Villalobos] Well, this would have to be in direct relation with the activities I was involved in [words indistinct] both in Lima and in the northern region. [end recording]

[Picon] Arrogance and cold blood are the traits that allowed Villalobos to continue to climb within the MRTA leadership. When Dincote 2, headed by Col. Juan Gonzalez Sandoval, arrested Peter Cardenas Shultz, Comrade Celso occupied all of Cardenas Shultz's posts, mainly to receive all the funds obtained from the kidnappings.

[Begin recording] [Villalobos] The money is centralized.

[Picon] Where?

[Villalobos] The national leadership. This money is used as a war fund.

[Picon] But the MRTA must be aware of what you do with the money.

[Villalobos] Not really...

[Picon, interrupting] No one knows what is done with the money?

[Villalobos] This is because of the way in which the group is divided up. But all of the organization's needs are met. [end recording]

[Picon] These MRTA needs are nothing but brand new cars, luxury houses, and expensive restaurants. Dincote arrested many MRTA leaders thanks to the ostentatious and luxurious manner in which they lived.

In addition, Celso was responsible for the MRTA's logistics apparatus and for establishing international communications, mainly with Hugo Avellaneda Valdes, in France, and with Walter Palacios, in Mexico. By then, Celso, already a member of the MRTA national leadership, established his base in Barranca, and from there he planned to establish a new kidnappings base in Arequipa. When the police arrested him on 10 April, Celso had already planned the kidnapping of two Arequipa businessmen. [passage omitted]

Celso was arrested in Lima. But before that, the police spotted him entering several houses which turned out to be MRTA bases. It is from these houses that the police seized this important arsenal.

When Dincote agents discovered this arsenal inside an MRTA base discovered in Las Flores, they also found a guitar case. They were greatly surprised, however, with what they found inside the case. What they found inside this simple guitar case was the very weapon used by the MRTA to attack buildings such as the Peruvian-American Cultural Institute, the U.S. Embassy, and the house of ex-Minister Bolona. [passage omitted]

All of these crimes were ordered by Emilio Villalobos Alba, also known as Comrade Celso, member of the MRTA national leadership. But how did those who carried out the orders given by this criminal terrorist feel about it? You will now have an opportunity to find out what these people feel about the MRTA, and why they decided to leave that subversive organization. This is the testimony of an MRTA member who repented.

[Begin recording] [Picon] What actions were you involved in?

[Unidentified repentant MRTA member] I was involved in kidnappings and harassment, actions of harassment with rocket launchers and rifles, in the capital. The national leadership was directly responsible for decisions on the kidnappings.

[Picon] How was the money obtained from the kidnappings used?

[MRTA member] At the beginning, I thought the money obtained from the kidnappings was used to keep the armed struggle alive on the different fronts in the capital. But many times I encountered members in the lower structure, people who worked in the unions, in the shantytowns, people who were dying from tuberculosis, dressed in rags, and things like that. But there were some leaders who had an opportunity to enjoy the money, eat in good restaurants like the Haiti, eat pizza, drink beer in the Miraflores district or places like that.

[Picon] Who did that, for example?

[MRTA member] The ones who enjoyed these privileges were those in command positions; those who received money within the party.

[Picon] Why did you do that, why torture, why murder?

[MRTA member] We see here what could be an ideological decomposition of the MRTA. I do not understand why businessman Vera Ballon was tortured, left weighing 49 kg, and then shot. There is no excuse for that.

[Picon] What is the MRTA becoming?

[MRTA member] If the MRTA continues like that it will become a criminal group having no other choice than its own destruction. [end recording]

[Picon] The MRTA has entered its final phase of extinction, and Dincote is playing a very important role in this. This week, Dincote 2 headed by Col. Juan Gonzalez Sandoval made an important capture in the struggle against terrorism.

Shining Path Commanders Found Buried

PY1005121094 Lima EL COMERCIO in Spanish 26 Apr 94 p A1

[Article by Jose Antonio Indacochea Alvarez]

[Text] Tingo Maria, 25 Apr—General Alfredo Rodriguez Riveros, chief of the Huallaga Front, said the bodies found yesterday buried in a grave in the Shapingo sector (Moyuna) by members of the Human Rights Commission of the Democratic Constituent Congress belong to two Shining Path "commanders" of a group that operates in this zone. He said this was determined by the testimony of three repentant Shining Path members who were under the command of one of them and also from intelligence information.

Other military chiefs said the dead were known as "Comrade Mardonio" and "Comrade Abel" of the logistical and military commands respectively of the so-called 3d Batallion of the Moena-Moyuno People's Committee.

The body of "Comrade Abel" supposedly belongs to the peasant Felix Loyola who, according to his wife and relatives, was a coca grower who had his farm in this sector and was shot by soldiers when he was leaving the area.

Gen. Rodriguez presumes the bodies belong to some of the six terrorists killed on 8 April by a militay patrol in a clash in another sector of Moyuna, about three to four hours by foot into the jungle. He said all the information will be given to provincial Prosecutor Carlos Gonzalez Ortiz, who is investigating this case to obtain more evidence to clarify the killings.

Regarding the bones found in the Carmen Alto zone (near the port of Moyuna de Anda), he said that according to preliminary information, the bones have been there for several years.

'Final Offensive' Against Shining Path Ready

PY1005214994 Lima EL PERUANO in Spanish 29 Apr 94 p A4

[Text] On 28 April, Ayacucho peasant defense patrol leaders stated they are prepared to launch the "final offensive" against Shining Path forces in this department, where the Shining Path is operating in the Andean mountain range along the border with Apurimac Department.

Susano Mendoza Preja, mayor of La Quinua and spokesman for the peasant defense patrol of Huamanga Province, said "this offensive will have better results than Operation Aries (currently under way in the Huallaga Valley) because the Shining Path will have to deal not only with the Army but with organized peasants as well."

Mendoza argued that any operation involving the peasants would have the advantage of the latter's knowledge of the terrain and the ability to immediately mobilize 25,000 people. Mendoza told EXPRESO: "We are prepare to fight and do away with terrorism once and for all."

Mendoza and other peasant leaders, like Donato Sulca ("Gavilan Command") and Julio Enciso ("Halcon Command"), reported that Shining Path armed columns are operating in the Andean mountain range along the border between Ayacucho and Apurimac Departments.

The peasant leaders warned that Shining Path forces have regrouped recently and Shining Path units were sighted in Ocros District and in rural areas of Andahuaylas.

On 17 April, a group of 30 Shining Path militants attacked San Juan de Lucanas (on the border with Ica Department) and killed five people after destroying public property and several interprovincial buses.

Peasant defense patrol representatives asked the central government to give them sustained logistic support to help them fight for peace. They sent a memorandum to political and military officials asking for solutions to the legal problems of nine peasant defense patrol leaders who are in prison in Huamanga (on charges of alleged homicide) and for the pardon for peasant leaders who have already been sentenced.

The representatives asked for the implementation of Supreme Decree 077-DE-092, which grants benefits to members of peasant defense patrols in case of death or disablement. They also disagreed with the proposal to lift the state of emergency in Ayacucho Department because they believe that "peace has not yet taken root in Ayacucho."

Analysts Believe MRTA-Shining Path Clash Inevitable

PY1005210994 Lima EXPRESO in Spanish 27 Apr 94 p A3

[Text] Military analysts agree that an armed confrontation between Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] is "in the making" in the jungle area of Junin Department. The analysts added that under the present circumstances, there is bound to be a struggle for the control of drug trafficking areas in Padre Abad, Ucayali; Oxapampa and Gran Pajonal in the Pasco jungle; and in Chachamayo and Satipo in the jungle area of Junin Department.

The analysts explained that it is essential for the two extremist organizations to keep their control over coca-growing areas because that is where their dollars come from. This income ensures the survival of the two armed groups, and keeps them ready for combat. The experts, however, pointed out a significant difference between the two groups.

The information obtained from a repentant soldier indicated that Shining Path leaders keep resources and funds under tight control, and issue rations to their men that keep them hungry. Shining Path extremists are poorly fed, and get the same food ration for months.

"Jairo," one of the first repentants who surrendered at the Mazamari military base two years ago, made this decision because he was tired of the rampant corruption among the leaders. According to "Jairo," the "lower ranks" ate corn mash while the leaders ate canned food

and drank whisky, which they obtained from drug traffickers in the jungle area of San Francisco, Ayacucho Department.

The internal situation of the MRTA is different. The MRTA pays salaries to its militants to stop them from running away, which turns them into paid mercenaries.

Thus, the two groups clearly rely on support from drug traffickers, but there is a difference between them. The MRTA structure seems to be more fragile. As soon as the flow of drug money is cut, the organization will collapse because the combatants would refuse to fight if there is no booty to share.

The Shining Path is probably not as dependent on drug money because the leaders can actually force the soldiers to fight, but the involvement is much more deeply rooted. The Shining Path is seriously jeopardized by the way in which drugs and drug money have corrupted its political and military leaders, who some time ago used to take pride in their austerity.

According to the sources, when Shining Path militants showed up in Padre Abad, fleeing after the defeat of the Mar Rojo battalion on the banks of the Huallaga River, and joined other Shining Path forces in the province, the MRTA started having problems, and must now unleash a sustained offensive.

The analysts even predicted that the MRTA will oust the Shining Path from Padre Abad Province and will take over Shining Path hideouts in the region. The analysts also announced the MRTA will try to do the same thing in Oxapampa and Gran Pajonal, in the jungle area of Pasco, where the MRTA has a platoon (one platoon has between 20 and 30 men), and in Pichis Palcazu. Another MRTA platoon is operating in the area attacked a convoy with draftees near Villa Rica a few days ago.

The analysts explained, however, that the largest MRTA contingent is operating in Satiop, Perene, and Parihuanca in the jungle area of Junin Department. There, the MRTA has three well-armed platoons that have been stopping and robbing vehicles along the Marginal Highway and killing people. It would seem that these groups manage to blend with the local population after their raids.

The analysts confirm that the MRTA apparently managed to set up an operation in Huancayo to push out the Shining Path, which was again trying to extort money from farmers. In fact, on 26 April the MRTA called a two-day "armed strike" in three jungle provinces, according to information received. The Huancayo police reported that strike "announcements" were painted on city walls.

The provinces where the MRTA is trying to compel the people to "strike" are Chanchamayo and Satipo in Junin Department, and in Oxapampa in Pasco Department. In the past only the Shining Path used to organize "armed strikes."

Even though certain analysts, whom the news agencies quote, seem to believe that this could mean a possible merger of the two subversive gangs, everything indicates that at least in the central jungle area, a clash between the two groups seems to be inevitable.

Congressmen Interrogate Drug Trafficker 'Vaticano'

PY1005222794 Madrid EFE in Spanish 0401 GMT 10 May 94

[Text] Lima, 9 May (EFE)—Peruvian drug trafficker Demetrio Chavez Penaherrera, also known as "Vaticano," today before a congressional committee charged that military officers ranked as high as captain were involved in his illegal activities in the Upper Huallaga jungle region.

"Vaticano's" revelations were disclosed today by Congressman Julio Castro Gomez, chairman of the congressional committee on drug trafficking, who, along with other members of the committee, interrogated the drug trafficker in his cell at the Callao Port Naval Base, where he is serving a 30-year sentence.

Castro quoted "Vaticano" as saying that he carried out his narcotrafficking activities "with the acquiescence and collaboration" of personnel ranked as high as captain from the Punta Arenas military post in the jungle department of San Martin.

"Vaticano," who is considered to be the main Peruvian drug trafficker, noted that he had received "collaboration and protection" from these Army personnel in building a clandestine airfield in Campanilla and carrying out his overall drug trafficking activities between 1990 and 1992, in exchange for a $5,000 payment for each drug shipment. Colombian planes that came to pick up cocaine paste were landing at and taking off from the Campanilla airfield.

"Vaticano" was considered to be the main Peruvian supplier for the "Cali cartel." "Vaticano" also told the congressmen that civilian authorities, such as the mayor of Campanilla, were aware of his activities.

According to Castro, "Vaticano" denied allegations that he was linked to the Shining Path terrorist gang or that he was forced to make payments to the subversive group to be able to carry out his drug trafficking operations. Castro added: "Vaticano" even noted that some of his men had clashed with the terrorists. Castro added that "Vaticano" did not identify the officers he claimed to have bribed.

Castro reported that "Vaticano" was questioned for more than four and a half hours, and he told the committee he had informed drug enforcement police and antiterrorist police about his connections with military and civilian authorities.

"Vaticano" was first sentenced to life by a military court on charges of treason against the fatherland for having supplied weapons and food to the Shining Path. His

sentence was reduced last week to 30 years in light of evidence that he had not participated either in murders or as a leader of the terrorist organization. "Vaticano" is also facing a civil lawsuit for his involvement in drug trafficking activities.

Congress Approves Heavy Sentences for Poppy Growers

PY1005211994 Lima EL COMERCIO in Spanish 28 Apr 94 p A1

[Text] On 27 April, Congress unanimously approved prison sentences of no less than 8 and no more than 15 years as punishment for those who cultivate, promote, help with, or finance poppy plantations, including those who transfer or commercialize the seeds of this plant, which is the base product for heroin.

The bill, which was based on a draft submitted 2 months ago by the executive branch and debated by the Justice Committee, establishes a prison sentence of no less that 2 and no more than 8 years for those who commercialize poppy seeds that would produce less than 100 plants.

The bill also indicates that the poppy plantations that are destroyed "by any means, as long as they do not affect the preservation of the environment, must be done so under the control and responsibility of the provincial prosecutor, who must draft the appropriate document explaining the action."

The land used for cultivation, the equipment, and others things used directly to commit the crime will be seized, and as soon as the court hands down its sentence they will become the property of the Agricultural Ministry.

Referring to the land, preferably this will be awarded to peasants without land, according to a clause of the bill that the president sent to Congress for approval.

Those who have committed this crime will not be eligible to take advantage of penitentiary benefits such as sentence reductions for work carried out or for helping in the educational sector; pardons; or semi-conditional or conditional release.

This bill is the first of its kind in scope as it is a frontal attack against the proliferation of poppy plantations within the national territory.

At the beginning of the week, EL COMERCIO revealed a report on the magnitude of illegal poppy cultivation, which is especially attractive for the drug traffickers because its derivatives (opium and heroin) fetch a much higher price than the illegal derivatives of the coca leaf.

Government Submits IMF Agreement To Open Discussion

PY1005232394 Madrid EFE in Spanish 1752 GMT 10 May 94

[Excerpt] Lima, 10 May (EFE)—The Peruvian Government's decision to submit the 1994 economic program agreed upon between the government and the IMF to decision was backed today by all Peruvian entrepreneurial and political circles.

On 9 May, Peruvian President Alberto Fujimori indicated that his government would wait at least 10 days for experts to raise their proposals to improve the draft of the letter of intent before sending it to the IMF.

Economist Alejandro Indacochea, an Advanced Business School board member, noted that Fujimori's proposal was positive "because the publication of such documents had been considered taboo by former governments, which guarded them as if they were top state secrets."

Indacochea pointed out, however, that it would be impossible to voice an opinion on the letter of intent unless the annexes on the committed economic targets become known, and he asked the government to publish them as soon as possible.

The economist added that there is a point missing in the document "involving the overvaluation of soles against dollars and its negative impact on the trade deficit, which has not been overcome in four years and must be reversed." [passage omitted]

Minister Predicts $6 Billion Investment Over 5 Years

PY1105010594 Lima EL COMERCIO in Spanish 29 Apr 94 p B12

[Text] Industry Minister Liliana Canale has stated that as a result of the elimination of both subsidies and state intervention in the economy, investments in our country will total approximately $6 billion over the next five years. Emphasizing the significance of an adequate opening toward the private sector and toward market forces, she said: "We are speaking about a figure that will be five times larger than the accrued investment reported up to 1993."

In this respect, she said she is pleased to note that the government, businessmen, academicians, and politicians agree on "a guiding approach to the country's development model that should be followed in the short and medium term."

Canale noted that China has become the third leading investor in our country. She added that there is great demand in China for products and raw materials that we could sell them if we had the adequate scale of production.

During a lecture at the Peruvian Center for International Studies (Cepei), the industry minister again called upon businessmen to redouble their efforts to reach other markets and the various trade blocs existing in the world. She emphasized the need to reach Asian and European markets with competitive prices.

Commenting on Peruvian relations with Pacific Rim countries, Canale said efforts are being made to promote

relations not only with China and Japan, but also with other countries because the most dynamic economies are located in that area. Regarding Peru's geographic location, she said: Our geographic, economic, and labor conditions will enable us to rapidly win those major markets.

MDI Opens First National Congress

PY1005232194 Lima LA REPUBLICA in Spanish 30 Apr 94 p 7

[Text] Last night, the Democratic Left Movement [MDI] inaugurated its first national congress, the central purpose being to seek the unity of the country's democratic forces and find a path leading to freedom and social justice in Peru. The political event started at 1900 in one of the Lima Civic Center's spacious auditoriums.

The congress was attended by well-known leaders from the Peruvian left, some of whom are members of the Democratic Constituent Congress (MDI bloc), some of whom work in their respective political parties, and others who represent labor or independent organizations. It was the first time the congress had been attended by MDI delegates and grassroots activists from around the country.

The MDI appeared in the country's political scene after the discrepancies and disagreements within the United Left had become increasingly acute. This, in turn, was a consequence of the political exhaustion, electoral adversities, party splits, and the isolation of the leadership from their grassroots.

Last night, Henry Pease, who presided over the MDI First National Congress' Organizing Commission, said: "We do not believe we are, or say that we are, the saviors of the fatherland. But we seek common space to promote programs and policies that will benefit all Peruvians, particularly the poorest ones."

Besides Henry Pease, the congressional executive board was made up of the following leaders: Jose Tavara, Oscar Ugarte, Carlos Chipoco, Jorge Campos Rey de Castro, Rolando Ames, and Manuel Lajo.

Army Commander on Huanuco Human Rights Situation

PY1105014594 Lima EL COMERCIO in Spanish 29 Apr 94 p A5

[Text] Yesterday, Army Commander General Nicolas de Bari Hermoza Rios said relations between the Armed Forces and the International Red Cross are "cordial," and that this humanitarian organization "will be able to enter the theater of operations in Huanuco when progress is made in the actions being taken."

Gen. de Bari Hermoza, Army commander and president of the Armed Forces Joint Command, made this comment after holding a one and a half hour meeting with George Conmino, head of the International Red Cross in Peru. The meeting was held from 1030 to 1155 in General Hermoza's office in the Army General Headquarters in San Borja. After the meeting, Hermoza answered questions from reporters:

[Reporter] General, what issues did you discuss with the head of the International Red Cross in Peru?

[Hermoza] The head of the International Red Cross just came to visit. The visit was of the kind frequently made by this organization to the Army. The conversation was very cordial, and we recognize the important humanitarian work done by this organization.

[Reporter] Did the president of the Red Cross ask you to facilitate a visit to the zone in conflict?

[Hermoza] We always do everything we can to help the Red Cross fulfill its mission. In the last two years, we have granted 55 authorizations to its members to help them fulfill their tasks in the country in visiting garrisons, police posts, and in meeting with people under arrest. We have facilitated all manner of things. The government even authorized them to enter a number of prisons where terrorists are serving their sentences.

[Reporter] Will the Armed Forces Joint Command be able to guarantee their visit to the theater of countersubversive operations in the Leoncio Prado Province, Huanuco?

[Hermoza] They have no restrictions. What worries me is their security in the areas where the Army is clashing with subversives. At any other time, there would not have been any restrictions. But as the operations develop, they will be able to enter the zone.

[Reporter] But they want to visit the site where the clashes are taking place to verify if human right violations are occurring.

[Hermoza] They did not state the need to enter the conflict zone, for obvious reasons. Also, for security reasons they cannot enter, for the time being.

[Reporter] The chief of the Huallaga Front, Antonio Rodriguez Riveros, questioned the work of the Red Cross and said they leak "information" to the terrorist "commands."

[Hermoza] There is no evidence of infiltration or leaks. The interviews are granted according to the situation in the area of conflict.

[Reporter] What is the current situation in the Cuchara "pocket" in Huanuco?

[Hermoza] An evaluation was made and the Huallaga Front chief reported it. Some policemen were wounded. Some of them were evacuated to Lima yesterday.

[Reporter] What do you think of the proposal made by Congressman Chirinos Soto that you remain as Army general commander?

[Hermoza] I am thankful to Chirinos for his proposal. I would like to tell the people, the media, that the soldiers and policemen, beginning with their commanders, are the ones who should receive permanent recognition. It is worth noting the greatness with which they risk their lives and continue to fight for the pacification of the country every day. A commander needs only to fight by the side of his soldiers to carry out the strategy ordered by the president of the Republic, who is really the person leading us toward victory.

[Reporter] What is the human rights situation in the zones where the clashes between the Army and the terrorists are taking place?

[Hermoza] There are no violations. The Congressional Human Rights Commission and the attorney general have gone to Huanuco. The attorney general even appointed a special prosecutor. Any investigation falls in the legal field. We have direct and smooth communications with the International Red Cross. I would like to say that human rights are a strategic need contained in all the guidelines of the president of the Republic and of national pacification.

Retired General Opposes Support for Fujimori

PY1105025594 Lima LA REPUBLICA in Spanish 2 May 94 p 4

[Text] Yesterday, General Luis Cisneros Vizquerra, retired, reaffirmed his criticism of and opposition to senior military officials and the government, in stating that the Armed Forces are performing the role of a political party for President Fujimori, and that they therefore cannot guarantee impartiality in the 1995 elections.

Cisneros is a retired general who served as interior minister during the government of General Francisco Morales Bermudez. Despite the fact that a military court recently issued a 90-day suspended sentence against him, Cisneros yesterday openly reaffirmed his disagreement with senior officers of the Armed Forces. The Supreme Court of Military Justice sentenced him for the military crime of having allegedly "insulted his superiors."

In an interview he granted yesterday to television host Alfredo Barnechea during his "Live" program, Gen. Cisneros said: "The Armed Forces have not only become somewhat like a political party for President Fujimori, but commanding officers are openly voicing their support for him, thus raising doubts about their impartiality in the 1995 elections."

Early during the bloody subversive war unleashed by Abimael Guzman and his "Shining Path" organization, Gen. Cisneros, nicknamed "Gaucho" because he studied in Argentina, stirred up a great deal of controversy by upholding draconian ideas about the antisubversive strategy.

As he did then, Cisneros today still supports an extremely tough line in fighting terrorism. His theory is that a "social cost" is absolutely inevitable in the war against subversion, in thus alluding to civilian casualties and to excesses that may occur in the theater of operations.

Yesterday, Cisneros blamed senior military officers, namely from the Army, for the loss of the spirit of comradeship, loyalty, and mutual confidence that should prevail within the military institution. He harshly criticized the National Intelligence Service [SIN], which he described as a true "Gestapo," and regarded SIN members as "the eyes and ears of the government who have sowed distrust within the institution." Cisneros said: "This means that no trust is being placed in commanding officers or that distrust prevails among the rank and file."

On the political front, he said, "in recent times the Armed Forces, and especially the Army, have performed the role of political party for President Fujimori." Cisneros said that because the president has no political party, he has used senior officers to serve his own interests, thus violating constitutional provisions.

He criticized the senior officers for openly supporting Fujimori, and contended that no one could fail to notice that this support is designed to obtain Fujimori's reelection. Cisneros added that this support has placed the Army in an awkward position, to the point that today, the Armed Forces can no longer guarantee they will be impartial in the upcoming electoral process.

Cisneros said: "The Armed Forces should not state their position on these issues because they have no reason to do so." Nevertheless, he said, senior officers are "flamboyantly" conveying their support for the regime.

Commenting on the antisubversive offensive launched by the Army in the Upper Huallaga and to charges of the murder of innocent civilians, Cisneros reaffirmed his ideas about the antisubversive war. He said it has been a tremendous error to entrust the Armed Forces with the task of engaging in drug enforcement operations. Cisneros noted that the Constitution has entrusted this task to the police.

Commenting on the death of civilians in general terms, he said no war is clean; they are all dirty, and that social costs are inevitable.

Chief Justice Backs Decision To Delay Penal Procedure Code

PY1105005494 Lima EL PERUANO in Spanish 29 Apr 94 p B1

[Text] Chief Justice Luis Serpa Segura has fully endorsed a resolution by the Democratic Constituent Congress (CCD) to postpone the implementation of the new Code of Penal Procedure for six months. He noted that this

period of time will be used to refurbish the infrastructural facilities needed for the code to go into effect.

Although he did not explicitly say so, Serpa was thus directly alluding to an executive branch decree that declared all criminal justice buildings to be in state of emergency for four months. These facilities will play a leading role in the implementation of the new code.

Serpa added that the suspension of the implementation of the new code will also make it possible to adjust its articles to the new Constitution that was approved by referendum on 31 October 1993.

Furthermore, the 43 Lima criminal courts functioning at the Justice Palace have not yet been able to move to their new offices on the six lower floors of the new building that now houses the Attorney General's Office (the former Economy Ministry building). This move was ordered precisely to pave the way for a better implementation of the new Code of Penal Procedure. The 43 provincial criminal prosecutors have, however, managed to move to the new offices, and are already working in the upper seven floors of the said building.

The new code provides that criminal courts, prosecutors, their respective clerks, and specialized offices should be located in the same building—such as the one designated by the government—for the purpose of ensuring that justice be served promptly and in a timely manner.

The Justice Ministry has authorized the judicial branch to hire directly, without calling for bids, contractors to renovate the floors that will house the criminal courts.

Poll Shows Fujimori Leading Perez de Cuellar

PY1105034494 Lima EXPRESO in Spanish 1 May 94 p A4

[Text] In its latest survey, the Peruvian Public Opinion Poll (POP) shows that 64 percent of Peruvian voters believe Fujimori should seek reelection, while 63 percent of them approve of his performance as president.

If the 1995 presidential elections were held tomorrow, the incumbent president would obtain 49 percent of the votes, while Javier Perez de Cuellar would obtain 40 percent. The survey also shows that only 28 percent of those polled knew what Perez de Cuellar did for a living.

The POP survey focuses on the ideas voters have about Fujimori and Perez de Cuellar as presidential candidates for 1995. They regard the incumbent chief executive as "a strong person who is better acquainted with Peruvian reality and who is better identified with the people." They believe the former UN secretary general has "greater international prestige."

Uruguay

Article Examines Organized Crime, Drug Trafficking

PY0705020494 Montevideo BRECHA in Spanish 29 Apr 94 pp 3-4

[Article by Samuel Blixen]

[Excerpts] Approximately a month ago, the interior minister installed an Anti-Mafia Unit to try, through intelligence work, to break up the connection between police officers and Uruguayan criminal organizations. These organizations are part of international mafia networks dedicated to white slave trading and drug trafficking.

The classified information being handled by the Interior Ministry reveals that mafia infiltration into various domestic circles has affected an alarming number of middle- and high-ranking police officers.

There are numerous indications that organizations dedicated to the white slave trade and drug trafficking have developed support structures at the neighborhood level and in sports and recreational organizations.

But these mafias have not enrolled only police officers. Police, congressional, and judicial documents indicate that the mafias have also ensured the complicity of sports entrepreneurs, professional sportsmen, and people in the entertainment business. The reports even included the name of one deputy.

The evidence of the degree of development and impunity of these criminal organizations with international connections has alarmed people at the highest levels. It is believed that these mafias are trying to create social support bases like those in Brazil, Bolivia, and Colombia. In these countries, drug traffickers control entire neighborhoods, as well as entire lines of production activities.

National mafias combine violence, coercion, and corruption to protect an impunity system that has been characterized as "shameless." In this respect, the "total inefficiency" of the police organizations responsible for repressing the white slave trade in trying to stem the constant "export of prostitutes" is considered a key factor in the growing power garnered by Uruguayan mafias.

Some legislators think the absolute impunity enjoyed by "pimps and dealers" ["fiolos"], their intermediaries, and contacts with organizations managing the international criminal trade constitutes a threat to institutional powers.

The creation of the Anti-Mafia Unit is the consequence of the fear and concern expressed in political circles over the increasing levels of corruption provoked by these organizations. The considerable international economic

power of these groups is derived from criminal activity considered to be an international "scourge."

The information collected during the investigation of some concrete cases has confirmed that, in Uruguay, there is an interaction between drug trafficking, the white slave trade, and contraband.

BRECHA learned that the Anti-Mafia Unit has begun to process information from various sources, and has launched an investigation into the origin of capital that permits some individuals to enjoy a lifestyle not in accordance with their "official" incomes. [passage omitted]

War on Mafias

The official inability to act, the reiteration of classified reports, and the need to face the power of the mafias has forced the Human Rights Committee to take the initiative to coordinate efforts in this area. At the beginning of March, it was estimated that the situation was extremely serious and out of control. Committee members held several meetings with Interior Minister Raul Iturria and Interior Under Secretary Juan Luis Storace to demand an effective offensive against criminal structures and the police protection they enjoy. The decision to create the Anti-Mafia Unit was the result of these closed-door meetings. There was a tacit agreement between the ministry and the committee not to hinder the investigations, no matter who is involved.

The unit is made up by three high-ranking officials whose backgrounds have assured and satisfied the legislators. The unit will be directly subordinated to the interior minister. One high-ranking official will operate in the administrative field, a second will be responsible for international relations, and the third will move in the field of police intelligence. (BRECHA will omit the names of these officials and the names of individuals suspected of being involved in illegal activates, witnesses, and those who denounced the illegal acts, for obvious reasons and so as not to hinder the investigations under way.)

At first it was said that the government decision might imply an action similar to the "Clean Hands Operation" now under way in Italy. That was allegedly the initial idea, but Minister Iturria decided to keep a low profile. The minister told BRECHA that despite the existence of elements implicating police offices with the mafias, "it is difficult to obtain proof through administrative investigations." Besides, the minister intends to act cautiously "in order not to affect the entire police institution, which is indispensable to any administration." Officially, Minister Iturria prefers to face the offensive against organized crime with a "reorganization" that will place the investigation and repression of the so-called "international crimes" under his portfolio's jurisdiction. An expression of that reorganization is the decision to move the intelligence, narcotics, and Interpol departments from under the jurisdiction of the Montevideo Police Department.

Other officials think the Interior Ministry will not be able to destroy the mafia organizations without an in-depth attack against police corruption. "Otherwise those involved in the white slave trade and drug trafficking will continue to act with impunity," a deputy told BRECHA. The deputy said he was willing to wait a reasonable time for results before proposing other measures.

UN Peace-Keeping Contingent To Leave for Mozambique

PY1005133894 Madrid EFE in Spanish 2337 GMT 9 May 94

[Text] Montevideo, 9 May (EFE)—It was reported on 9 May that a contingent of 476 soldiers will leave for Mozambique on 12 May to relieve the Uruguay Battalion, which is part of the UN peace-keeping force in that African country.

Some 900 Uruguayan officers and enlisted men have been deployed there for seven months, enforcing the Peace Treaty signed between Mozambique and the United Nations in Rome in 1992.

The Uruguay Battalion is participating in the UN mission that is monitoring the observance of the treaty, disarming feuding factions, and ensuring the transport of food and humanitarian aid in an area covering 800 km. [figure as received]

Lieutenant General Daniel Garcia, Army commander in chief, bade farewell to the group today during a protocol ceremony at the 13th Armored Infantry Battalion in Montevideo.

Another Candidate Joins Presidential Race

PY1005125494 Madrid EFE in Spanish 2048 GMT 9 May 94

[Excerpts] Montevideo, 9 May (EFE)—Cardiologist Roberto Canessa, 42, who survived the Andean tragedy 20 years ago, has promised "new winds" will blow through Uruguayan politics. He founded the "Blue Party" and will run in the 29 November election.

Canessa and 122 citizens founded the party and today, will start formal steps to register it at the Electoral Court. [passage omitted] At least seven presidential candidates will run in the 29 November election.

The ruling National Party (White Party) has become the most divided. Four different candidates have already announced their candidacies; former Interior Minister Juan Andres Ramirez, who is preferred by President Luis Alberto Lacalle among three possible candidates; Alberto Volonte, current head of the state electricity company; Carlos Julio Pereyra, historic party leader; and current Vice President Gonzalo Aguirre.

The Colorado Party, which leads the surveys with a seven-point advantage over the leftist coalition Broad Front and 10 points over the "White" Party, has two candidates.

Former President Julio Maria Sanguinetti, representing the center, has a strong possibility of winning because he is supported by 76 percent of his party members. The second candidate is former President Jorge Pacheco Areco, a right wing leader.

The leftist coalition Broad Front will run with a single candidate, current Montevideo Mayor Tabare Vazquez.

The fourth block in Congress, the social democratic Party for the Government of the People, which has seven percent of the votes, will not present a presidential candidate because its leader, Senator Hugo Batalla, has closed a political agreement with former President Sanguinetti.

Electoral laws in Uruguay do not limit the number of candidates because voters vote for a party, and the candidate with most votes within that party becomes president.

Canessa will probably run for president representing the Blue Party. He has always said he would like to run for president. [passage omitted]

Blanco Party Splinter Group Names Candidate

PY0905203394 Madrid EFE in Spanish 1632 GMT 8 May 94

[Text] Trinidad (Uruguay), 8 May (EFE)—Today, Alberto Volonte, UTE [General Administration of State Electric Power and Telephones] executive board chairman, became the fourth presidential candidate aspiring to succeed President Luis Alberto Lacalle. He will stand as National Party (Blanco Party) candidate in the general elections.

Some 600 "Blanco" leaders officially proclaimed him during a rally in the city of Trinidad, located 190 km northeast of Montevideo. Volonte did not participate in this rally as he is banned from engaging in partisan politics while he holds a post within the state's autonomous agency.

The new presidential candidate from the ruling party will resign from his post as UTE executive board chairman when the momentum for the 29 November elections, in which the national government, lawmakers, and municipal authorities will be chosen, gathers steam.

Volonte had been discarded by President Lacalle, who hand-picked his former Interior Minister Juan Andres Ramirez as his successor. Volonte was proclaimed by a splinter group that broke with the government's top leaders.

Volonte's candidacy within the Blanco Party should be added to those of Vice President Gonzalo Aguirre, who was proclaimed candidate in Montevideo last week, and Senator Carlos Julio Pereyra, leader of the second largest faction within the ruling party who has taken a different line from Lacalle, especially with regard to economic policy.

In Uruguay, political parties may field several candidacies, which according to the Elections Law, the party is elected first and then the candidate who receives the most votes within the winning party.

As for the Colorado Party, the main opposition party, the candidacies of former Presidents Julio Maria Sanguinetti, who heads public opinion polls in voters' preferences for president, and Jorge Pacheco Areco, leader of the right wing, have already been confirmed. It is also believed that Jorge Batlle, a three-time candidate for president, will also run. The Broad Front, a coalition of leftist parties, will field only one presidential candidate, Montevideo Mayor Tabare Vazquez.

Public opinion surveys show that the Colorado Party is the favorite choice of voters, with 34 percent, followed by the Broad Front with 27 percent and the Blanco Party with 24 percent.

Venezuela

President Acknowledges Economic Problems

PA1105040094 Caracas EL UNIVERSAL in Spanish 10 May 94 p 1-10

[Text] During a businessmen's dinner commemorating the 50th anniversary of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], President Rafael Caldera said "for the private sector of the Venezuelan economy, a public official who steals money through the construction of public works is as reprehensible as a member of the private sector who purchases dollars at the Central Bank of Venezuela to resell them for an illegal profit, or he is as reprehensible as a businessman who raises prices astronomically under the pretext of inflation because this will increase social groups' exasperation."

The president believes it is necessary to understand this and reach an agreement of solidarity "because when a salesman disproportionately increases prices ahead of time, based on a report that inflation may affect a specific sector of the economy, he is engaging in an act of corruption against which we must all fight." Corruption has invaded all sectors of Venezuela, and we must struggle against this, not only for its effects in the public sector but also for its effects in the private sector, he said.

During the event, the president said "the country is demanding a complete reorganization of public expenses, and this entails a long, in-depth, and very serious task that must be assigned to experienced people, but they must also have a social sensibility and be aware of the country's reality."

Caldera said: "It is a fact we are facing very critical economic problems, and the Fedecamaras chairman has cited a particularly critical issue: A decrease in actual income for Venezuelan families. This presents a series of questions, and people often wonder about what economic policy my administration adopted. I could answer with a quote from Simon Bolivar, the liberator: A government's excellence does not reside in its theory; instead, it must be adequate for the nature of the country in which it is implemented."

He said: "We do not believe, nor do we want to believe, in the implementation of a dogmatic policy, zero orthodoxy. We are prepared to accept all the recommendations, formulas, and solutions that are adequate for the current situation, the country's nature, and its advisability for the people."

The head of state added that we are trying to overcome the nearest obstacles, including the terrible fiscal deficit that has compelled us to reduce public expenditures and strive to overcome, through various formulas in our revenues sector, the deficit provoked by a drop in oil revenues. Caldera explained the reduction in public expenditures had to be implemented in a short time "with a very complex budget in whose preparation we do not participate."

He mentioned the so-called Sosa Plan, which includes tax reforms and "demands a special sacrifice from our fellow citizens. We know a tax on bank debits is a transitory burden; it is like the taxes that war economies establish in certain countries. They are essential for achieving a reasonable balance in the area of fiscal expenditures."

President Caldera said: We have clearly announced and sustained that position, and we said it is part of a commitment that involves all Venezuelans: the struggle against inflation, the defeat of inflation, or at least its reduction to acceptable levels. It is a primary goal and not an aim per se.

The president also mentioned the need to increase domestic and foreign private investments, and added "we are aware that in order to accomplish this, we must try to create the necessary conditions to attract these investments to our country." This, he added, undoubtedly demands safety, legal as well as genuine. We are taking great steps to improve, swiftly but also efficiently, the problem of individual and property safety. This is an essential objective not only of the central government but also of the regional and municipal governments. We are also aware that one of the obstacles to investments in any country is inadequate safety as provided by the legal system.

He said he intends to present an initiative before Congress that includes reforms to the Constitution, reforms "such as the one that failed last year due to parliamentary details. The initiative includes in-depth reforms to the judicial branch that will allow corporations to operate without the need for a lot of paperwork. The judicial branch will intervene when the interests of the corporations do not correspond with those of the justice system or the Venezuelan people."

Likewise, the president highlighted the importance of promulgating the Concessions Law because "we have great hope in that law, and we are preparing to launch several initiatives aimed at encouraging investors to take on risks through this concession system with certain guarantees." Caldera said his government is determined to encourage an awareness of tourism "because this sector offers great opportunities to our country in every aspect." He invited investors to invest in the country's tourism resorts.

Caldera cited the need for a strong and effective industrial policy and pointed to the special commission established to recommend steps to be taken by the government to orient and stimulate the industrial sector.

The country is willing to proceed with the process of privatization with regard to the Venezuelan Corporation of Guayana [CVG] and other industries dependent on this corporation. We are perfectly willing to enter into joint ventures. Caldera said the government is also disposed to encouraging investments in crude oil and gas ventures that may be beneficial to the country.

Condemns Illegal Price Increases

PA1105040994 Caracas Union Radio Network in Spanish 1100 GMT 10 May 94

[Report by Fabiola Vecchionacce from the "Union Radio News" newscast]

[Text] President Rafael Caldera attended an event held to celebrate the 50th anniversary of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry]. President Rafael Caldera criticized price increases of certain products as well as profiteering in the sale of dollars, which are acts of corruption that should be fought. That was part of Caldera's speech during the celebration of the 50th anniversary of Fedecamaras. President Caldera pointed out that all sectors of society must join Solidarity's efforts so it can make progress.

Caldera also talked about the importance of opening up opportunities for foreign investment by providing greater legal guarantees. He said private and public corruption must be fought. Let us listen to excerpts of what Caldera said.

[Begin Caldera recording] We have seen how the prices of certain products have been increased. The Venezuelan people are undoubtedly being hurt by this. It is an act of corruption that we have to fight. We know that [words indistinct]. That is why an atmosphere such as this, with a spirit of friendship and of solidarity, can lead us to expect that we can all make an effort. Just as the Venezuelan private sector condemns a government official who steals the people's money through public works

that are built, it should also condemn a private sector member, who buys dollars to resell them for an undue profit. [end recording]

In addition, President Caldera agreed with Fedecamaras President Edgar Romero Navas that the fight against inflation must not be stopped because, according to Romero Navas, the country requires a series of changes. Romero Navas also said coherence and compromise are needed in the executive cabinet. He said our business and political criteria on the handling of the country's resources should also be taken into account.

Transportation Strike Observed Despite Agreement

PA1005153494 Caracas Union Radio Network in Spanish 1100 GMT 10 May 94

[From the "Union Radio News" newscast]

[Text] The public transportation strike called to take place on Monday was observed throughtout the entire Caracas metropolitan area, even though the president of the Single Union of Independent Vehicles, the labor organization that convened the strike, reached an agreement at noon with the Transport and Communications Ministry on the payment of student subsidies.

Simon Ladera, president of the Single Union of Independent Vehicles, met with Transport Minister Cesar Quintini Rosales and reached an agreement, supposedly to end the strike, but the strike occurred anyway.

Ladera, after signing an agreement with the transport and communications minister stating that the public transportation sector would begin to charge the subsidized student bus fare rate starting this week, called on all labor union affiliates to return to work, but his request was not complied with.

Only buses operated on Monday afternoon. The subway operated with extra units. There were many pirate taxi cabs operating as well. The public transportation situation in Caracas and part of the interior of the country is expected to return to normal on Tuesday.

Violent Student Protests Reported for 4th Day

PA1005195494 Mexico City NOTIMEX in Spanish 1811 GMT 10 May 94

[Text] Caracas, 10 May (NOTIMEX)—Violent student protests to demand the restoration of subsidized bus fare rates occurred for the fourth consecutive day today, police sources have reported. The protests on Monday were concentrated in the western part of Caracas, where groups of students seized at least two mass transit buses and clashed with riot police. It was unofficially reported that the young students, most of them high school students, set one of the vehicles on fire.

The disturbance, which spread to five areas west of the Venezuelan capital, is the most serious distubance reported so far in the government of Christian Democratic President Rafael Caldera, who took office last February.

The students, between the ages of 16 and 19, were also demanding punishment for those responsible for the murder of a fellow classmate. The student was shot three times by a policeman during the protests that took place in downtown Caracas.

On Monday, transportation sector workers went on strike to demand a 50-percent increase in bus fares and to protest the government's delay in the payment of student bus fare subsidies.

Similar protests resulted in the deaths of dozens of students during the administrations of social democrat Jaime Lusinchi (1984-89), Carlos Andres Perez (1989-93), and Ramon Velasquez (1993-94).

Finance Minister Sosa Discusses Auctions, Economy

PA1005035594 Caracas ECONOMIA HOY in Spanish 6 May 94 p 4

[Report by Gregorio Salazar]

[Text] Finance Minister Julio Sosa Rodriguez admitted yesterday, upon returning from the United States, that a significant portion of the funds obtained as a result of currency devaluation will be used to pay the foreign debt. As Minister Sosa was about to get into his car, which by the way has a private license plate, he was approached by a reporter who asked:

[Unidentified Reporter] What will the government do with the additional income obtained from the sale of dollars?

[Sosa] Well, there are various aspects. First of all, the Central Bank of Venezuela [BCV] is trying to reduce liquidity through the zero coupon bond mechanism and is trying to establish a more permanent method. On the other hand, you must remember that our budgets include foreign debt servicing which must be paid in dollars, which means that it will cost us more bolivares. So we already know where those bolivares will go.

[Reporter] Can those bolivares be used to pay the debt?

[Sosa] Obviously ...

Previously, Sosa had answered several questions from reporters who inquired about the differences between the auctioning of dollars and foreign exchange controls. "The auctioning of dollars and foreign exchange controls are two completely different things. The word auction itself implies that there are no controls, because I understand it means that you can offer 'two,' I can offer 'three,' and another person can offer 'two and a half.' Controls would mean that if I say 'two' that is it."

Sosa said there will be no alternate to the BCV as a source of dollars.

[Reporter] Is the BCV also trying to control the large number of dollars being sold?

[Sosa] Evidently, it is trying to handle this—price and volume—step by step. I believe, however, that it is being handled beyond the normal needs.

He had previously been asked whether the mechanism to auction foreign exchange would be permanent or temporary. "I think it will last for some time. BCV is always trying to establish the measures that best fit the circumstances. For instance, the system the bank used a little more than a year ago, the "crawling peg standard"—I do not know how to translate that, it sounds like a spider climbing a wall—was different from the one used previously. The new mechanism fits reality more closely, and I think it will work just fine.

Sosa turned philosophical when he was asked what he had meant when he said the auctioning of U.S. dollars would be permanent. "God is the only permanent concept in life. All of the material things and man do not last forever, and whoever says the opposite is wrong. I meant that the system would last one year, maybe longer."

Someone told him that, according to National Convergence Deputy Jose Miguel Uzcategui, auctioning is the best exchange control. "Well, I will ask him to explain that to me when I see him."

Sosa expressed confidence in the auction mechanism established by BCV. He regards the system as convenient because financial markets are gradually returning to tranquillity. According to the finance minister, the Economic Cabinet discussed his trip to Washington and divided the cabinet into four sectors: political, social, infrastructure, and economic.

He said that in the United States, he met people willing to enter joint ventures with CVG [Venezuelan Guayana Corporation] in aluminum and steel manufacturing. He also thinks that another plant for manufacturing methanol for export could be built in Venezuela. Sosa, who is always optimistic, confidently expects inflation to decline and interest rates to fall by the end of the year.

Later, he said flatly that Venezuelan Petroleum, Inc. [PDVSA] will not be privatized. "There are very good possibilities for foreign capital with technology, resources, and market potential, to join PDVSA subsidiaries in certain projects." A very large investment is required in the Orinoco Strip, Orinoco Delta, eastern Monagas, and the southern Sucre projects, which are open for investment. "This does not mean that PDVSA subsidiaries or PDVSA itself will be privatized," he said.

Asked how international reserves will be affected, he answered: "Let us hope that trust will make them increase. I do not think this system will affect the reserves. If they are affected in any way, it will be for the better."

President Signs Discontinuance for 8 Coupist Officers

FA0805221294 Maracaibo PANORAMA in Spanish 6 May 94 p A-10

[Report by Gustavo Rodriguez]

[Text] Caracas, 5 May—Eight more military officers, who were charged with participating in the second military coup attempt, were released after President Rafael Caldera signed their discontinuances.

Rear Admiral Luis Cabrera Aguirre, the highest-ranking officer still being held, left San Carlos Garrison accompanied by Colonel Higinio Castro, Air Force Col. Jorge Garrido, Lieutenant Colonel Ricardo Delon Romana, Lt. Col. Jose Villarroel, Major David Monagas, Maj. Oscar Perez Escalona, and Navy Captain Carlos Reyes Rodriguez. A large number of relatives were at the doors of the stockade waiting for the order to be carried out.

The soldiers reported to their commanding officers to submit a six-month leave request of sorts. During this six months the officers will remain under the orders of the Defense Ministry and will not be given operational duties of any kind. The terms of the discontinuance orders state that once the leave period is up, they may request their discharge. Because of this, the soldiers refused to make any statements to the media.

Rear Adm. Luis Cabrera Aguirre said that the defense minister gave them his word of honor that he would allow other implicated soldiers to return to active duty. Maj. Pedro Alastre and Lt. Eliecer Otaiza accepted the leave order.

[Alastre] We have left active duty and are simply going on leave.

[Otaiza] The leave is for six months and I will decide on whether to request dismissal or not later. My generation retires in January of next year.

He said that the minister of defense is studying the current situation of other officers involved in the second coup attempt. It boils down to whether President Rafael Caldera agrees to sign these new acquittals.

Col. Higino Castro is in the Military Hospital suffering from a difficult illness.

In Fort Tiuna's Lino de Clemente Battalion there are six officers under arrest who could receive their discontinuances in the next few hours.

Intelligence Service Dismantles Drug Trafficking Operation

PA1005204194 Maracaibo PANORAMA in Spanish 9 May 94 p 4-12

[Report by Juan Carlos Guillen]

[Text] Deputy Julio Montoya has reported that the Directorate of Intelligence and Prevention Services dismantled Operation Rainbow in which drug traffickers were trying to export 300 tons of cocaine overseas. "I have come to discuss and announce the discovery of a major drug-trafficking network whose primary hubs were the ports of Maracaibo, Puerto Cabello, and Punto Fijo," Montoya said. Operation Rainbow used hollowed-out coconuts in which the drug, presumably cocaine, would be hidden.

[Guillen] How many kilograms would be exported that way?

[Montoya] Three-hundred tons of the drug.

Drug Traffickers Flood Currency Market

PA1005010094 Caracas EL NACIONAL in Spanish 6 May 94 p D-11

[Report by Alonso Zambrano]

[Text] The financial events that occurred in the country on Friday, when the U.S. dollar exchange rate closed at 124 bolivares, alerted intelligence organizations that drug traffickers were offering dollars for between 80 and 100 bolivares. Military intelligence sources are currently investigating the criminal activities carried out in Caracas, Maracaibo, Merida, San Cristobal, Puerto Ordaz, and Porlamar.

Confidential reports, which are being thoroughly investigated, warn about the presence of intermediaries used by leading cartels from the neighboring country, who reportedly offered dollars for between 80 and 100 bolivares, taking advantage of the confusion unleashed by a sudden increase in the dollar's value. The transactions involved attempts to launder large amounts of money that international drug organizations keep stashed along the Venezuelan border and introduce to the market in small amounts.

The confidential report talks about the mobilization of a considerable sum of "dirty" dollars resulting from drug operations carried out in Medellin, Cali, and Cucuta. The report indicates that, in a process like this, Venezuela is essential for illegal dollar transactions carried out by such criminal organizations.

Roundup of Economic Developments

PA1105040394

[Editorial Report] The following is a compilation of reports on economic developments monitored through 10 May.

The Venezuelan Central Bank issued a communique the night of 2 May indicating that the Consumer Price Index registered a 3.3 percent increase in April. This increase, added to the figures accumulated through March, reveals a 12.6 percent inflation rate for the first quarter of 1994. (Caracas EL GLOBO in Spanish 3 May 94 p 11)

Today, Venezuelan Central Bank sources revealed that the drop in international reserves for April was estimated at $900 million. According to these sources, the drop in reserves during the first quarter of 1994 was due to falling oil revenues, mistrust unleashed by the Banco Latino scandal, and huge foreign debt payments. (Paris AFP in Spanish 1604 GMT 5 May 94)

During the first quarter of 1994, Citgo Petroleum Corporation, a subsidiary of Venezuelan Petroleum in the United States, registered net profits of $43.300 million, which represents a 133 percent increase over profits registered during the same period in 1993. (Caracas EL NACIONAL in Spanish 5 May 94 p E-7)

Berend Roosen, president of the National Council of Commerce and Services, pointed out that his organization is not responsible for the recent outbreak of price increases resulting from the devaluation of the bolivar. (Caracas EL NACIONAL in Spanish 5 May 94 p E-8)

In light of the fiscal crisis, the government is considering selling between 10 and 20 percent of the shares of the National Telephone Company of Venezuela for the second half of 1994 as a last resort. (Caracas EL NACIONAL in Spanish 5 May 94 p E-8)

It has been unofficially reported that international reserves dropped $900 million in April. The sources added that the largest drop was reported between 25 and 29 April when it was announced that the president of the Central Bank of Venezuela would be resigning and an interest rate drop was possible. Central Bank of Venezuela authorities said the bank will not release official figures for the month of April. (Caracas EL NACIONAL in Spanish 5 May 94 p E-1)

Financial sources have reported that between January and April, the eight banks for whom the state has intervened have had to pay $550 billion bolivars. The run on the banks forced the institutions to turn to the government. According to recent studies conducted by the Banks Superintendency, overall losses amount to approximately 359 billion bolivars. (Caracas EL NACIONAL in Spanish 7 May 94 p E- 1)

Between 1 January and 6 May, the bolivar has been devaluated 22.8 percent. A marketing research firm reported that this will represent reduced purchasing power and greater unemployment. (Caracas EL UNIVERSAL in Spanish 8 May 94 p 2-1)

The Foreign Trade Institute has reported that Colombia has replaced the United States as the main market for Venezuelan nonpetroleum products. In 1993, Venezuela exported $808.237 million in nonpetroleum products to Colombia. (Paris AFP in Spanish 2114 GMT 9 May 94)

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